The Hon Greg Hunt MP
Minister for Health
Minister Assisting the Prime Minister for the Public Service and Cabinet

Ref No: MC19-013327

Mayor David O'Loughlin
Australian Local Government Association
8 Geils Court
DEAKIN ACT 2600

14 OCT 2019

Dear Mayor O'Loughlin David

I refer to your letter concerning Resolutions 52, 65, 65.1, 66, 67, 68, 69 and 70, formed by members of the Australian Local Government Association (ALGA) while gathered in Canberra from 16–19 June 2019 for the National General Assembly of Local Government. I regret the delay in responding.

The Australian Government remains committed to delivering long-term health reform and ensuring our health system is more focused on patient needs, more affordable, and more accessible to all Australians, wherever they live and whoever they are.

By reforming the way we plan, pay for, and provide health services, over time Australians can expect to receive safe, high-quality and integrated care. The care people receive will increasingly be tailored to their unique needs and circumstances and there will be stronger incentives for providers to work together in the patient's best interests, detect illness early and manage it effectively with the most up-to-date treatments.

In respect of the ALGA resolutions, please see my detailed response against each as enclosed.

Thank you for writing on this matter.

Yours sincerely

Greg Hunt

Encl (1)

Australian Local Government Association (ALGA), National General Assembly of Local Government (NGA) 18-21 June 2017 Resolutions 52, 65, 65.1, 66, 67, 68, 69, 70

Resolution 52

Responsibility for air quality sits within the Environment and Energy Portfolio. Responsibility for infrastructure, including health impact statements, sits within the Infrastructure, Transport, Cities and Regional Development Portfolio.

Resolution 65

The Australian Government recognises that a comprehensive national primary health policy and plan is essential to improving the health outcomes of all Australians. Earlier this year I announced the intention to develop the Primary Health Care 10 Year Plan (10 Year Plan) to drive reform of the primary health care system in Australia, with general practice as its cornerstone.

As part of the 2019–20 Budget I established the Primary Health Reform Steering Group to provide independent expert advice to my Department on the development of the 10 Year Plan, as well as the implementation of the voluntary patient enrolment measure for Australians aged 70 years and over. This measure supports more flexible care models for patients including non-face-to-face care through digital solutions.

A diverse range of views and input will be sought through broader consultation with the health sector and Australian public, including rural and remote Australians. This consultation will contribute to a coordinated vision and tangible reforms for the primary health care system.

In 2018 the Government announced a new 10 year plan to build a sustainable, highly qualified health workforce that is distributed across the country according to community need, particularly in rural and remote communities. The Stronger Rural Health Strategy (Strategy) will change the face of primary health care service delivery in Australia. To meet the challenge of redistributing the workforce, the Strategy includes a range of incentives, targeted funding and bonding arrangements to give doctors more opportunities to train and practice in rural and remote Australia.

Under the Strategy, bulk-billing incentives will be correctly targeted to ensure that metropolitan areas no longer have access to incentives intended for rural and remote areas.

Resolution 65.1

The Government is investing heavily to provide access to vital medical services to people living in rural, regional and remote Australia.

The $550m Stronger Rural Health Strategy (Strategy) aims to ensure communities across regional and remote Australia have access to the care they need when they need it.

The Strategy seeks to build a sustainable, high-quality health workforce that is distributed

across the country according to community need. The Strategy will deliver around 3,000 extra doctors and 3,000 additional nurses to rural and regional areas.

To help with the relocation of health care workers to areas most in need, the Strategy includes a range of incentives, targeted funding and simplified arrangements for 'bonded' medical students giving doctors more opportunities to train and practise in rural and remote Australia. It will also enable a stronger role for nurses and allied health professionals in the delivery of more multidisciplinary, team-based models of primary health care.

Many of the elements under the Strategy are already beginning to benefit regional and remote areas. Over a 12-month period, the number of GPs increased by more than 300 and the number of nurses increased by almost 400.

Primary health care and general practice were key areas for the Strategy. Some highlights include:

- A new general practice program structure introduced earlier this year to assist doctors with becoming specialist GPs, including:
    - streamlined Commonwealth-supported and independent training pathways that are being transitioned to the Australian College of Rural and Remote Medicine and Royal Australian College of General Practitioners;
    - Fellowship support programs to assist independent trainees with the Colleges with meeting the costs of their training; and
    - the More Doctors for Rural Australia Program and its supporting Education and Training Package, which will provide foundational primary care experience in rural and remote areas.

- An additional 100 training places for Rural Generalists GP trainees.
- A new MBS item structure introduced on 1 July 2018 that encourages primary care doctors to become specialist GPs.
- Funding has been provided through the Rural Junior Doctor Training Innovation Fund to support rural interns to experience a rural general practice rotation. This program is now expanding to support more placements for postgraduate year two doctors to assist the development of the rural general practice training pathway.
- Establishing the Murray-Darling Medical Schools Network, implementing more transparent doctor bonding arrangements, and revised bulk-billing and Workforce Incentive Payments to better promote work in rural and remote areas.

The Strategy implementation is ongoing and initiatives will continue to be introduced to deliver more and better services to rural and remote communities.

Resolution 66

The Government has introduced a number of programs to address the shortage of medical professionals in rural and regional areas.

Rural Health Multidisciplinary Training (RHMT) program
This program provides funding to 21 universities to support health students across a range of disciplines to complete rural training across Australia. The RHMT program is designed to encourage the recruitment and retention of rural and remote health professionals, by increasing the number of rural origin students and providing effective rural training experiences for students. In 2018, 32.6 per cent of medical students in Commonwealth supported places came from a rural background and 35.7 per cent of medical student graduates from participating universities had undertaken a long rural training placement of 12 months or more.

The RHMT program funding also supports 26 regional training hubs. These hubs are building medical training pathways within a region and guiding students and trainees through these pathways. The regional training hubs form part of the Government's Integrated Rural Training Pipeline (IRTP). The IRTP initiative will help to link up the rural training system by providing greater opportunities for graduates interested in rural careers to maintain connections to rural communities while they complete post graduate training. Through this approach, more health practitioners will be able to complete the different stages of their medical training, from student to specialist, within rural areas.

Murray-Darling Medical Schools Network (MDMSN)
In 2018, the Government established the MDMSN, which will see five new medical school programs established in regional New South Wales and Victoria. The MDMSN will maximise opportunities to support school leavers and graduate-entry students with a rural background, and attract those with an interest, intention and aptitude for practising in rural and regional areas. The majority of training will be regionally-based and will improve the distribution of the medical workforce by establishing rurally based medical school programs.

Rural Health Workforce Support Activity
The Government funds Rural Workforce Agencies (RWAs) in each state and the Northern Territory to deliver the Rural Health Workforce Support Activity (RHWSA). Under the RHWSA, RWAs are funded $86 million over three years to 30 June 2020, to deliver a range of activities aimed at improving the health workforce access, quality and sustainability. This includes providing incentives and grants to health professionals to encourage relocation to rural Australia.

RWAs are also funded $33 million over three years to 30 June 2020 to administer the Health Workforce Scholarship Program, which provides scholarships and bursaries to existing rural health professionals to upskill to meet community needs.

Rural Locum Assistance Program (RLAP)
RLAP is aimed at providing targeted rural support services in Modified Monash Model (MMM) 2-7 locations for GPs and specialists (obstetricians and anaesthetists) to take leave and undertake Continued Professional Development. This locum relief support assists with the retention of these important specialists. Nurses, midwives and allied health professionals are also supported.

General Practice Rural Incentives Program (GPRIP)
GPRIP aims to encourage medical practitioners to practise in regional, rural and remote communities and to promote careers in rural medicine through the provision of financial incentives. The GPRIP supports medical practitioners who provide eligible primary care services in MM 3-7 locations who can receive incentives of up to $60,000 per year under the GPRIP. As part of the 2018–19 Budget, it was announced that the Workforce Incentive Program (WIP) will replace the GPRIP and the Practice Nurse Incentive Program (PNIP). General practices and medical practitioners participating in the GPRIP and the PNIP will automatically transition to the WIP on 1 January 2020.

Health Workforce Scholarship Program (HWSP)
RWAs are also funded $33 million over three years to 30 June 2020 to administer the HWSP. The HWSP provides scholarships and bursaries to existing rural health professionals to upskill to meet community needs.

Resolution 67

The Government is committed to improving the access and quality of mental health services in rural and remote regions to better assist all Australians with mental health issues. The Government funds a range of national initiatives and programs to improve access to health services for people living in regional, rural and remote areas, including measures to support farmers and communities affected by drought.

The Government is funding 31 Primary Health Networks (PHNs) $1.487 billion over three years from 2019–20 to 2021–22 to lead mental health and suicide prevention planning at a regional level. This enables flexibility to ensure services are targeted to meet local needs to improve outcomes for those with, or at risk of, mental illness and/or suicide, including children, in partnership with relevant services.

From 2018–19, the Government has invested additional funds for mental health support initiatives to help farmers and communities deal with the anxiety, stress and uncertainty of drought conditions. This includes:

- $24.4 million over two years from 2018–19 for Empowering our Communities to enable nine PHNs to plan and commission community-led initiatives to address the immediate support needs of rural and regional communities, and foster longer term recovery and resilience; and
- $1.2 million over four years to expand Telehealth access to psychological therapies via video conferencing to those who face barriers to accessing services, and $3.6 million to expand Medicare Benefits Schedule for GPs to deliver Telehealth in rural and remote areas.

Drought-affected communities will also benefit from the Trusted Advocates Network Trial with funding of $464,000 over three years across nine PHNs. The trial will provide mental health first aid and/or 'accidental counsellor' training to local people to support others in their community.

The 2019–20 Budget measure Prioritising Mental Health – national health network provided an additional investment of $152 million to address wait times at existing national headspace services and $111.3 to establish an additional 30 new headspace services by 2021. Twenty of these new headspace services will be located in regional, rural and remote areas of Australia.

As at 18 September 2019, there are 111 headspace services operating nationally. There are 54 headspace services located across regional Australia, with five new headspace services being established in regional Australia during 2019.

For those who may not be able to attend a headspace centre, the Government provides access to eheadspace, which provides young people aged 12 to 25 years with a free, confidential and anonymous telephone and web-based support service.

The Government has also invested $4.7 million over two years from 2018–19 for Head to Health, the Government's national digital gateway, which aims to help people more easily access information, advice, and free or low-cost phone and online mental health services, supports and treatment options, including for people living in rural and remote areas.

Resolution 68

On 6 December 2015, the Government announced its response to the National Ice Taskforce's Final Report. The response included $241.5 million over four years (2016–17 to 2019–20) to be provided to PHNs for the commissioning of drug and alcohol treatment services in line with the needs of each region. This amount includes $78.6 million to commission services, specifically for Indigenous clients.

Significant progress has been made under the National Ice Action Strategy (NIAS). There have been 503 additional treatment services provided across the country commissioned by PHNs. There have also been 244 Local Drug Action Teams established to deliver local solutions that tackle drug and alcohol issues communities might face.

Fifteen new items have been listed on the Medicare Benefits Schedule for services provided by addiction medicine specialists. Also a Cracks in the Ice online community toolkit was launched in 2017 and provides ice related information to the Australian community.
A mid-point review of the Department's NIAS implementation has commenced and there will be a formal overarching evaluation of the whole NIAS in conjunction with the states and territories and Department of Home Affairs.

Resolution 69

The Government recognises private health is a key part of Australia's health system and is committed to making private health insurance simpler and more affordable.

Many private health insurers have adopted business models whereby preferred provider schemes have been established with certain health care providers. These preferred provider schemes seek to maximise the benefits of private health insurance cover for members rather than reduce competition in the healthcare provider sector.

The Australian Competition and Consumer Commission (ACCC) supports the operation of preferred provider schemes. Considerations by the ACCC have found the schemes benefit all members by fostering competition between healthcare providers, acting as an incentive for all providers to lower their costs and, between insurers themselves, who compete to provide the most attractive products to consumers. The ACCC has also stated these schemes are of benefit to consumers in reducing out-of-pocket expenses.

Health care providers and health insurers are free to choose whether they wish to enter into preferred provider schemes.

Resolution 70

Under the Stronger Rural Health Strategy the rural Bulk Billing Incentives (Medicare Benefit Schedule items 10991, 64991 and 74991) will be updated from Rural Remote and Metropolitan Areas 3-7 to Modified Monash Model (MMM) remoteness classification MM 2-7, aligning it with other health programs. The changes ensure that metropolitan areas will no longer be able to access incentives intended for rural and remote Australia ensuring that Australians living in rural and remote areas have better access to bulk-billing services. GPs in non-rural areas will continue to have access to incentives to bulk-bill vulnerable patients, albeit at a lower rate.