

UPDATE

Brief overview and analysis of measures

Following last night's Federal Budget announcement AGPN has sourced further detailed information on the savings measures released in the 2008 Federal Budget.

This Updated 2008 Federal Budget Analysis includes two key updated areas:

1. Further information on initiatives of funding, on which the detail was not available on release of the budget documents; and
2. an update on the detail of the Savings Measures (budget cuts), including an update on AGPN's actions in taking these issues forward.

Topic area:

Delivering Health Care to all Australians – Health and Hospital Reform

National Rural and Remote Infrastructure Program

Budget summary

The Government will establish a national rural and remote health infrastructure program to provide better access to funding for infrastructure through a competitive grants process. It will amalgamate the Rural Medical Infrastructure Fund and the Rural Private Access Program.

Relevant web-link(s):

www.health.gov.au/internet/budget/publishing.nsf/Content/budget2008-hmedia004.htm

Other resources:

Labor Party election commitment to increase access to the RMIF.

Implications for Divisions:

Divisions will have greater ability to access infrastructure funding under the national rural and remote infrastructure program.

Network members may remember that amendments to this program (see below) have long been called for by AGPN (in collaboration with the RDAA).

Follow up actions:

in seeking the further information from the Government, AGPN has learnt that:

- revised program guidelines are currently being developed
- the population size has been increased to 20,000 per community
- the grant size has been increased to \$500,000
- there will be a funding round this year.

The program will now be managed by the Department of Health (previously Department of Transport and Regional Services)

Topic area: **Delivering Health Care to all Australians – Health and Hospital Reform**

National Rural and Remote Infrastructure Program

Funding opportunities? Potential funding opportunities for divisions (rural and remote regions)

Topic area: **N/A**

Nursing in General Practice

Budget summary The Government has agreed to fund two initiatives that AGPN called for in its budget submission. These include the development of:

1. A refresher/ re-entry program that targets nurses interested in returning to nursing in general practice. This model is based on a local division's success in this area; and
2. Clinical skills orientation program, which will ensure practice nurses are better prepared to enter general practice and will also be based on existing division's work.

Relevant web-link(s): N/A

Other resources: N/A

Implications for Divisions: Once development phases have been completed, AGPN will seek additional funding for rollout as part of the nursing in general practice program beyond June 2009. This will be an opportunity for divisions to recruit nurses using a standard and consistent re-entry program as well as to boost practice nurse numbers.

Follow up actions: AGPN will continue to communicate with network members on progress of this initiative as well as to seek input to the packages.

Funding opportunities? Potential opportunities for divisions in the longer term.

Further analysis of Savings Measures

This summary provides further information on three key initiatives:

- the APCC Program, and proposed impact on Divisions
- the adjustments to funding for specific health programs; and
- PIP explanations – eHealth and Immunisation SIP

Topic area:

Responsible Economic Management

Australian Primary Care Collaboratives Program

Budget summary

The Australian Primary Care Collaboratives Program has seen funding reduced by \$16.6 million over 4 years, to pre 2007-08 funding levels.

This will mean that the scope of delivery of the program will be significantly reduced – ie; the proposed target of 800 practices will be required to be reduced to 2007-08 targets, somewhere closer to 500 additional practices.

Relevant web-link(s):

<http://www.budget.gov.au/2008-09/content/bp2/download/bp2.pdf>

Implications for Divisions:

The implications of this program will be significant to the Network, and to general practice participation, as Divisions receive funding to support practice participation.

As AGPN does not hold the contract for this initiative (Improvement Foundation Australia (IFA) holds the agreement with the Department), we will not be part of the contract re-negotiation. However, AGPN understands the impact a reduction in this program will have on the network, and will put forward potential solutions, based on network feedback, as to how this program may be reconfigured.

Follow up actions:

AGPN has sought a meeting with the Primary Care Branch of the department and is holding continuing discussions with IFA.

Essential to the network will be communications from IFA and the Department on the current call for Wave 1 participation, and AGPN will be assisting IFA in working with the network to ensure communications are sent as soon as possible.

Topic area:

Responsible Economic Management

Adjustments – Health specific Programs

Budget summary

This component of the savings measures in the 2008 Federal Budget has the greatest impact on the divisions network.

Announced was a 'catch all' savings measure of \$503.7 million over 5 years for adjustments to funding for specific health programs, the detail of which was not immediately available.

AGPN can now confirm that this consists of:

Aged Care GP Panels

A significant impact has been the review and restructure of the Aged Care GP Panels Initiative. Savings have been taken from this program, and the initiative itself will be refocused. The major funding cuts have been made to the Divisions Support Stream.

We understand roll-overs of underspends from this year will be considered to allow for transition.

We have organised an urgent meeting with the Minister's staff and DoHA early next week to discuss the impact of this decision.

Mental Health Nurse Incentive Program

The largest savings have been identified under the mental health nurse incentive program. This reflects historical underspending, however we have assurances that no services will be cut.

Participating organisations will continue to receive incentive payments, and thus continue to provide services.

Training for rural and remote GPs

Again, savings have been made based on historical underspends in this program.

Current eligible applicants will continue to receive payments.

HECS reimbursement scheme

Similarly to those initiatives identified above, savings have been anticipated based on the projected underspend in this program.

Current eligible applicants will continue to receive payments.

Rural Registrar Incentive Payments

Savings have been made due to anticipated underspends.

All eligible applicants will continue to be paid.

CoAG Self Management – ABHI

The funding in this ABHI program has been reduced over four years. The funds had not yet been allocated.

There is a small amount of funding retained to establish a national network to promote patient self management. AGPN will promote the Divisions as a key player in this network.

Reduction in General Practice Infrastructure, Training and Support (GPITS)

The reduction in funding for this program will not affect any current projects or Government commitments. The program will continue over the next four years.

Primary Care Research

The government has committed to continue to invest in this program over the next four years, with small savings starting in the first instance from 2009-2010.

Sharing Health Care program

Savings have been calculated in this program based on underspends in the program.

There will be no change in services provided to patients.

Relevant web-link(s):

<http://www.budget.gov.au/2008-09/content/bp2/download/bp2.pdf>

Implications for Divisions:

The greatest impact is the change to the Aged Care GP Panels Initiative. At the time of writing, the specific impacts in terms of funding to the network, are not known, but have been identified as the "Divisions Support Stream" component of the initiative.

The Department has assured AGPN that there will be a strategy for implementation to the new arrangements, with some flexibility with current underspends in the program.

Follow up actions:

AGPN has initiated urgent discussions between the Department, AGPN and the Ministers office to ensure a solution to this savings measure.

AGPN anticipates the Department sending correspondence to individual network members later this week.

Budget summary

There are three major impacts on general practice through the Practice Incentive Program.

These include:

- PIP – discontinuation of the mental health incentive – savings of \$7.2 million over 4 years
- PIP – new e-Health incentive payment for GPs – savings of \$112.0 million over 4 years
- PIP – removal of the General Practice Immunisation Service Incentive Payment – savings of \$83.5 million over 4 years

Mental Health PIP

Has been discontinued with the cessation of the mental health SIP in May 2007. The savings are a result of forward estimates provided in previous budgets.

eHealth PIP

The e-Health incentive savings measure is a review of the amount of incentive payment to PIP practices for eHealth per SWPE. It is proposed that the incentive level is reviewed to be \$6.50 per SWPE: as opposed to the current \$7.00 per SWPE, which was budgeted in forward estimates. There will also be an annual cap of \$50,000 a practice.

Immunisation SIP

The good news is that the Divisions Network funding for GPII support (immunisation program) has not been affected by the announced 2008 Federal Budget savings measures – ie; Immunisation funding for divisions remains at the same level. 12 month contracts will be offered, as they have in previous years.

What has been discontinued is the final, \$18.50 Service Incentive Payment (SIP) on the completion of a child's immunisation schedule.

Providers (GPs) will continue to receive the Australian Childhood Immunisation register (ACIR) notification payment of \$6.00 per vaccination.

The PIP measure, available for practices that achieve 90% or greater coverage of children fully immunised for age will continue.

MBS item numbers for Immunisation Services provide by practice nurses and registered Aboriginal health Workers for and on behalf of general practitioners will continue (\$10.85 per service).

Relevant web-link(s):

<http://www.budget.gov.au/2008-09/content/bp2/download/bp2.pdf>

Implications for Divisions:

Whilst the funding for the network is secure re; GPII Support, it is disappointing that the SIP has been discontinued.

There may also be a flow on effect to divisions with respect to the draft National Performance Indicators. AGPN will be discussing this with the Department also.

Follow up actions:

AGPN will continue to update the Network on the outcomes of discussions regarding National Performance Indicators on Immunisation.