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Victorian Healthcare Association
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# Draft 30 Year Infrastructure Strategy

**28 October 2016**

## 1. General comments

The VHA supports Infrastructure Victoria's draft 30 year strategy ('draft strategy') and in particular, those recommendations relating to health and health-ICT. The VHA's view is that community need, service delivery and system efficiencies should inform health capital builds – not the other way around and we are pleased the draft report's recommendations are consistent with this principle although note that the draft strategy's guiding principles fail to mention community need. The addition of this guiding principle would give more prominence to the draft strategy's recommendation (at 3.2.2) to target investment in public acute and sub-acute health facilities to areas experience high growth in the outer northern, western and southeastern metropolitan zones of Melbourne. The VHA supports this recommendation, noting that our public and community health services urgently require targeted capital and service investment to manage demand.

Consistent with community need, we also urge Infrastructure Victoria to give consideration to the State's public sector residential aged care facilities, managed by our public health services and hospitals throughout Victoria. We discuss this in more detail below.

## 2. Health, community health and public sector aged care

Victoria's public health and aged care capital stock varies, with sites supporting a range of different buildings, many of which are more than 50 years old. Although the Government's 2015 Travis Review into public hospital capacity found our system well equipped in terms of the physical capacity of facilities to meet current demand, our health asset base is inadequate to meet future needs. Further, some buildings are inappropriately configured to deliver contemporary models of care, meet community expectations and facilitate greater productivity.

The VHA acknowledges and supports Infrastructure Victoria's recognition that there needs to be a mix of new capital health projects as well as investment to upgrade existing assets. This should be undertaken throughout the state, including in rural and regional Victoria, in which 80 per cent of the state's public health services operate.

Explicit consideration must be given in the final strategy to capital investment in primary and community based health care. In particular, Victoria's registered community health services are well placed to boost our health system's capacity and performance, particularly – but not solely – with regard to managing conditions and chronic disease in the community at a cheaper price than that for equivalent care delivered in acute hospital settings. Many community health services operate within facilities that are

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ageing or else no longer fit for purpose. Victoria's capital investment in the community health sector has varied, diminishing over the last six years. Accordingly, we are pleased to see the draft strategy recommend (at 3.2.1) an expansion to the provision of integrated, community-based health hubs over five to 30 years, in partnership with a mix of health providers and other human services and justice service providers to allow for a greater focus on primary and preventative health.

Victoria's public sector residential aged care services are run by and typically co-located with public health services and hospitals. Comprising almost a quarter of Victoria's residential aged care services and housing 12 per cent of the state's aged care beds, they act as a vital safety net for Victorians whose care needs are such that they may not be met by the private system, or else who reside in communities where market failure means the public hospital is the only local residential aged care provider.

Aged care is regulated and funded by the Commonwealth Government; which has failed to invest substantially in maintaining and upgrading Victoria's 182 public sector residential aged care facilities. This means that elderly Victorians commonly have to share bedrooms and bathrooms. It also means that many vulnerable older people with dementia may not be living in built environments that optimally meet their needs.

Further, the Commonwealth's aged care funding model requires facilities to operate with sufficient economies of scale – of around 80 beds.[1] [2] Victorian public health services and hospitals with residential aged care manage on average 30 beds per facility. This means they have little option but to subsidise their aged care operations with funding from the state, even before investment in new capital is considered.

Victoria's public aged care services are eligible to attract greater levels of Commonwealth funding to operate provided they can demonstrate significant capital improvements. There is an opportunity for the state to do more while this scheme remains available to leverage greater Commonwealth funding, and by doing so, reduce subsidisation by the state.

Given our ageing population, growing community expectations and the Victorian Government's public policy commitment to preserve Victoria's public sector delivered aged care in a constrained Commonwealth funding environment, it is critical that Infrastructure Victoria gives dedicated consideration to public sector residential aged care in its final strategy.

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[1] Aged Care Financing Authority 2015, *Factors Influencing the Financial Performance of Residential Aged Care Providers*, Aged Care Financing Authority, Department of Social Services, p.82, Available at: https://agedcare.health.gov.au/aged-care-reform/aged-care-financing-authority/factors-influencing-the-financial-performance-of-residential-aged-care-providers

[2] In 2014-15 the average Net Profit Before Tax of for profit providers and not-for-profit providers was 9% compared to the public sector average of -7%. See ACFA 2016, *Reporting on the Funding and Financing of the Aged Care Industry*, Aged Care Financing Authority, Department of Health, Available at: https://agedcare.health.gov.au/2016-report-on-the-funding-and-financing-of-the-aged-care-industry

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## 3. Technology and ICT

We note Infrastructure Victoria's observations that the need for improved Information and Communication Technology (ICT) was the message heard most often throughout its consultations.

The benefits associated with technology and ICT are perhaps nowhere better realised than in public health service delivery and we are pleased to see this recognised explicitly in a number of the draft strategy's recommendations (2,2.3, 3.1.2, 12.1.6, 3.1.1 and 12.1.5) – all of which we support.

Innovation driven by new technologies can assist health services deliver care seamlessly and cost effectively. New and emerging technologies can enhance care delivery and improve access to specialised services, especially in rural areas. Technology – such as telehealth – can help reduce delays in referrals in specialist care and enhance the delivery of person-centred care outside hospital bed settings.

These technologies deliver positive outcomes for patients in a variety of ways including through: reduced patient costs and inconvenience, earlier assessment and treatment, improved efficiency in care and the introduction of previously unavailable services. The health workforce also benefits from improved access to professional development and educational opportunities.

Accordingly, we are pleased to see the draft strategy recommend an expanded rolle-out of video-conferencing in health care.

Currently, there are significant challenges associated with the lack of interoperability between different ICT systems, creating barriers to information sharing and care coordination between health services. Clinicians still rely on an array of paper-based and electronic records making it difficult to gain a complete picture of a patient's care.

Consumers, patients and carers are now more digitally-savvy, informed and engaged. They reasonably expect accurate and current information to be readily available.

While health services and hospitals may develop digital health initiatives in-house, funding is limited and interoperability within and between services remains a critical barrier to substantial progress on a system-wide basis.

The VHA is pleased to see the draft strategy recommend improvement in digital health systems in the first ten years, including through public hospitals and health services. We note however that this recommendation must be expanded to apply to Victoria's state funded and registered community health services. A statewide solution is required to drive a strategic approach to data and its collection, use, analysis and application between health service partners.

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## 4. About the VHA

The VHA is the peak body representing the public healthcare sector in Victoria. Established in 1938, we promote the improvement of health outcomes for all Victorians, from the perspective our members.

Members of the VHA including public hospitals, rural and regional health services - including those with residential aged care facilities, community health services and primary care organisations. Our members provide a broad range of health, mental health, aged care and disability services.

## 5. Contact

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