



Health Legislation Amendment (Quality and Safety) Act 2017

8 November 2017

On 24 October the Health Legislation Amendment (Quality and Safety) Act 2017 (the Act) received royal assent.

The Act amends the Health Services Act 1988, Ambulance Services Act 1986 and the Mental Health Act 2014 to strengthen and elevate roles and responsibilities for quality and safety and to improve governance arrangements in those pieces of law.

Many of the amendments respond to recommendations made in the *Targeting Zero* report (the 'Duckett report'), and can be considered the first of three planned tranches of legislative amendments.

This Bulletin summarises key changes introduced by the Act.

Amendments to Health Services Act 1988

Remuneration for directors of public hospitals and multipurpose services

The Act allows for directors of public hospitals and MPS to receive remuneration upon appointment to a board.

The VHA has long advocated for health service boards to determine whether or not directors should be remunerated and welcomes this announcement.

The level of remuneration, the source of funding for the remuneration and the implementation date are as yet unclear. The VHA will advise members when more information is available.

Term of appointment for directors of public hospitals and multipurpose services

The Act introduces a nine year term limit for public hospital and MPS directors, matching the term limits currently in place for directors of public health services. Exceptional circumstances will allow individual reappointments beyond this limit.

Statements of priorities and strategic plans

The Act introduces powers that allow the Minister for Health to direct public hospitals to prepare strategic plans. It also sets out by when statements of priorities (SoPs) are to be prepared, and sets out the contents of SoPs.



The Act states that if SoPs are not finalised by 1 October, the Secretary may make a SoP for that public hospital.

A SoP may be varied with the agreement of both the Secretary and the public hospital, however if an agreement to a proposed variation cannot be reached within 28 days, the Secretary will have the power to vary the SoP or refuse to vary the SoP.

These powers are an extension of provisions currently in place for public health services.

Role of the chief executive officer

The Act introduces clarity regarding the roles and responsibilities of the chief executive officer of a public hospital or multipurpose service by extending the current expectations for CEOs of public health services to those entities.

A new section has been added to require an annual formal assessment of the chief executive officer's performance.

Amalgamation of health services

There are a number of existing provisions in the Health Services Act 1988 that provide guidance on how two or more health services can be amalgamated.

The Act adds additional criteria that the Secretary may consider before recommending that two or more agencies amalgamate. These relate to improving the governance of the quality or safety of health services.

Publication of guidelines for boards

The Act allows the Minister to publish in the government gazette guidelines relating to the role and procedure of boards and how they may carry out their functions.

Compliance with these guidelines is not mandated, nor does non-compliance attract a statutory penalty, however it is intended that non-compliance could be a factor taken into consideration in decisions made under the Health Services Act 1988, for example non-compliance could result in the removal of a director or consideration of service amalgamation.

Appointment of administrators to multipurpose services

An amendment to the Health Services Act 1988 allows the Minister to recommend to the Governor in Council that an administrator be appointed to an MPS or that the service be closed if the Minister is not satisfied that the service has failed to provide a safe, patient-centred and appropriate health service; or has failed to foster continuous quality improvement in the quality and safety of the care and health services it provides.

Chief executive officers of multipurpose services

The Act introduces new sections that clarify how a CEO of a multipurpose service is appointed, re-appointed and takes direction from its board of directors.



The new section requires that the appointment, re-appointment, remuneration and term and conditions of employment are subject to the Secretary's approval.

The provisions are intended to ensure the processes in place for CEOs of public health services also apply to multipurpose services.

Censure of agencies

Existing sections of the Health Service Act 1988 allow the Minister to censure, suspend admissions or appoint an administrator to an agency under certain circumstances.

The amendment includes further grounds for taking action, namely where the Minister is satisfied that a health service has failed to provide safe, patient-centred and appropriate health services, or to foster continuous improvement in the quality and safety of the care and health services it provides.

Other changes to the Health Services Act 1988

The definition of a day procedure centre¹ has been changed to ensure all establishments that meet broader criteria can be regulated under the Health Services Act 1988. Additionally, the definition of health service establishment² is changed to include any off-site facilities where health services are delivered. Also includes new and future innovative models of care e.g. mobile anaesthesia and oncology services.

The Act adds a number of additional oversight and regulatory powers for the Minister and Secretary, particularly as they relate to the licensing and operation of health service establishments and day procedure centres. In general, these changes do not apply to VHA members.

The Act establishes a board of directors for Better Care Victoria, which replaces the existing Health Innovation Reform Council.

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¹ Legislative definition specifically excludes public hospitals and public health services

² Defined as a day procedure centre or a private hospital