Victorian Healthcare Association
Vision • Value • Voice

Submission

Victorian State Budget

2021-22

27 January 2021

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Victorian State Budget submission 2021-22

The Victorian Healthcare Association (VHA) is the peak body supporting Victoria's public and community health care system to deliver high quality care. Established in 1938, the VHA represents the Victorian $20 billion public healthcare sector including public hospitals and community health services.

The VHA supports Victoria's healthcare providers to respond to system reform, shape policy and advocate on key issues; delivering vision, value and voice for the Victorian health sector. In addition, the VHA assists its members with the implementation of major system reform.

Introduction

The Victorian public health, community and social care sectors have been transformed in the past year to respond to the COVID-19 pandemic. Despite significant gains and much needed changes in how care is delivered and accessed, the pandemic has also highlighted the structural and systemic failings of the public health system. Supporting the recovery of our sector in Victoria is critical. And, there is discussion already taking place across the sector, Department of Health and Human Services and the State Government on how the 'recovered' health system should look, with many reform processes already underway.

The pandemic is still with us and will be for some time to come, but early recovery planning is critical if we are to embed learnings and create a strengthened, modern and resilient health system for the future. This pre-budget submission is focused on recovery and avoiding a return to the status quo and the 'old normal'. The learnings of 2020 coupled with the prospect of a reimagined public health system offers many opportunities to create a fit-for-purpose system in a 'COVID-normal' and post pandemic world.

Summary of budget recommendations:

Theme: Health workforce recovery and long-term sustainability

- $120 million over three years to support health and community health services embed and scale new models of care and workforce models that reduce the drivers of anxiety, depression and burnout including implementing research findings of the Healthcare Worker Wellbeing Centre.

- Prioritise the establishment of a rural workforce surge capacity model to ensure adequate supply of skilled and qualified workforce to support regional and rural health services should an outbreak occur, or additional support be required to respond to the challenges of bushfires.

- Invest $20 million over four years, commencing from 2021-22, to develop and implement a rural health workforce strategy to address the issues of recruitment, training and development of health professionals to develop a sustainable rural workforce model.

Theme: Resourcing the cluster reform and integrating care

- $1.5 million, over three years, to be distributed across health service clusters to support the recruitment of appropriately skilled workforce to support the delivery of initial priorities across the system.

- Invest $180 million, over four years, to implement innovative, locally led models of integrated care across the state. This funding should support health service clusters and community health services to develop integrated service plans, outlining activities to be undertaken to achieve outcomes and how any investment will be spent. The investment should also allocate funding to registered community health services directly to establish and resource community health representative groups or subcommittees aligned to each health service cluster to support decision-making and collaboration in parallel to health service cluster implementation.

Theme: Catching up on deferred dental care and securing ongoing dental funding

- Provide additional funding to target the existing and extensive treatment needs for Victorians already on public dental waitlists across the state; focused on agencies in high growth corridors and areas where public dental eligibility rates are higher than average.

- Allocate additional targeted funding for oral health promotion initiatives to break the cycle of oral health deterioration and reduce the potential future burden on Victoria's public dental care services and the broader health system. This additional funding would also assist agencies in delivering the key principles and objectives of the National Oral Health Plan 2015-2024.

- Commit funding to support dental care services upgrade or invest in new public dental capital to support services increase capacity for service delivery and reduce wait times to access public dental care.

- Quantify and provide additional supplementary government funding to support EBA pay increases.

Theme: Investing to modernise health service digital health infrastructure

- Recognising the need to strengthen digital health and ICT capital, finalise the Digital Health Investment Strategy and commit funding to a five-year rolling plan of investment to achieve an equal baseline of digital capability across the system.

- Commit recurrent expenditure to support health services maintain and upgrade legacy operating systems.

Theme: Safeguarding the infrastructure needs of registered community health services

- Establish a dedicated and ongoing Community Health Infrastructure Fund and commit $100 million in the 2021-22 budget to support essential upgrades and strengthen the digital capability of the community health sector.

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Theme: Health workforce recovery and long-term sustainability

In November 2020, the Government announced a $9.8 million wellbeing package to support healthcare workers who are dealing with the effects of COVID-19 in the state's health system. The initiative includes a healthcare wellbeing centre, which will operate within Safer Care Victoria, to research staff fatigue and stress management, provide advice and improve peer-to-peer support. The package will also provide funds to improve staff rest areas, and individual grants for psycho-social support.

While we welcome this initiative, it is likely to take an extended period to have a meaningful impact. There needs to be an immediate systemic response to address mental ill-health within the health workforce. Identification of the issues leading to mental health problems in the workforce and a mechanism to scale the findings of the healthcare wellbeing centre across the state’s health and community health services is also essential to consolidate learnings.

This includes providing direct funding to health services and community health services to innovate and scale new workforce models and models of care to address long-term drivers of anxiety, depression and burnout among healthcare workers in both pandemic and non-pandemic contexts.

Recommendation: $120 million over three years to support health and community health services embed and scale new models of care and workforce models that reduce the drivers of anxiety, depression and burnout including implementing research findings of the Healthcare Worker Wellbeing Centre.

There is concern across regional and rural health services that, should an outbreak occur in country Victoria, there is limited capacity to provide a short-term surge workforce. Regional and rural areas are also likely to experience additional workforce pressures in the event of a bushfire as was highlighted in early 2020.

Not only is additional surge capacity needed to support pandemic and bushfire responses, renewed focus is also needed to address broader workforce challenges facing regional and rural health services. While work is progressing at the state and federal levels aimed at addressing rural health workforce needs, it lacks a cohesive approach. It is also unclear whether initiatives are aligned and how priorities have been determined. Further, there is a general absence of visibility of the implementation, progress and outcomes of programs and initiatives.

Experiences of regional and rural Victorian public health services show that it is possible to improve service delivery through workforce innovation locally, but more needs to be done to ensure that such innovations are adopted, sustained and scaled-up to ensure benefits are felt across the system. To overcome these issues, the state government needs to address challenges in recruiting, training and developing health professionals in a systemic and cohesive way.

Recommendation: Prioritise the establishment of a rural workforce surge model to ensure adequate supply of skilled and qualified workforce to support regional and rural health services should an outbreak occur, or additional support be required to respond to the challenges of a bushfire.

Recommendation: Invest $20 million over four years, commencing from 2021-22, to develop and implement a rural health workforce strategy to address the issues of recruitment, training and development of health professionals to develop a sustainable rural workforce model.

Theme: Resourcing the cluster reform and integrating care

Health service clusters have been identified by the Minister for Health and the Department of Health and Human Services (the Department) as a priority for health system reform. Health service clusters were initially established in response to the pandemic crisis to support the sector plan for and manage an expected surge in demand. Originally focussed on ICU load balancing, clusters have since taken on a broader remit – coordinating responses to aged care outbreaks and ED demand, and now taking on local public health functions.

Beyond the pandemic response, clusters are expected to work collaboratively on broader priorities including exploring increased collaboration on home-delivered hospital care and catching up on deferred care. While health services will remain locally responsive and autonomous, clusters are intended to enable load-sharing and increase collaboration and consistency between them, allowing for a rapid and coordinated system-wide response to future challenges.

Sustaining and evolving the cluster model requires each health service cluster to have an adequately resourced team including an executive officer and project staff to lead, coordinate and implement cluster priorities. The recruitment to these roles also requires consideration of the challenges faced by regional health service clusters in attracting and retaining appropriately qualified and skilled workforce to support these functions.

Recommendation: $1.5 million, over three years, to be distributed across health service clusters to support the recruitment of appropriately skilled workforce to support the delivery of initial priorities across the system.

The capacity and capability of the community health sector to respond agilely and proactively has never been more evident than in the sector's rapid and effective response to the pandemic. This was facilitated by strong community knowledge and linkages established through: a focus on community-based programs; client-centred care delivery systems; a culturally appropriate workforce; and a collaborative approach to working with local community leaders and organisations including tertiary hospitals to improve health and social outcomes.

Community health services quickly established and delivered services to identify, contain and prevent infection. They used their local linkages and knowledge to reach diverse and vulnerable members of their communities. They partnered widely to rapidly establish and deliver state government funded COVID response initiatives such as the COVID+ Pathways Program ensuring holistic impact across the health system. Their role in these effective collaborations and their response to the pandemic has been heralded by many as a resounding success.

Community health are excited about the opportunity to contribute their expertise to the proposed cluster reform. Aligned to the cluster priorities of catching up on deferred care and care closer to home, the community health sector is eager to apply the learnings from the COVID+ Pathways Program and establish locally-led models of integrated care to manage chronic and acute disease and proactively outreach to vulnerable communities.

Recommendation: Invest $180 million, over four years, to implement innovative, locally led models of integrated care across the state. This funding should support health service clusters and community health services to develop integrated service plans, outlining activities to be undertaken to achieve outcomes and how any investment will be spent. The investment should also allocate funding to registered community health services directly to establish and resource community health representative groups or subcommittees aligned to each health service clusters to support decision-making and collaboration in parallel to health service cluster implementation.

Theme: Catching up on deferred dental care and securing ongoing dental funding

The pandemic has had a significant impact on the provision of public dental services to people experiencing disadvantage and marginalisation. People from lower socioeconomic backgrounds often already live with higher levels of dental disease and face additional barriers to accessing dental care. Prior to the pandemic, wait times in Victoria averaged 19 months for public dental services. This is expected to increase by 20 to 50 per cent in some regions across the state.

The additional wait times have broader implications on top of the impact for individuals suffering from often painful and debilitating oral health issues. Increased wait times not only contribute to the complexity of the oral health care required; they also have potential implications on individuals with other comorbidities. The Nation Oral Health Plan highlights increased emergency department presentations related to oral health care issues, which is likely to be amplified post the pandemic.

Data from Dental Health Services Victoria found that in in August, at the peak of the second wave, services in some areas reduced to only 35 per cent or usual targets. This suggests that the impact of service restrictions may have been higher in the public sector. This is likely to have been due to the assessment of higher risk factors in publicly delivered services. The increasing economic vulnerability among the general community is only likely to increase the number of people eligible for public dental services and, therefore, put more pressure on already stressed public dental waiting lists.

Recognising that the Department of Health and Human Services is progressing the VAGO recommendation to 'review the most appropriate and effective funding model to deliver public dental services to achieve the government's goals' chronic underinvestment in public dental services must start to be addressed in the short term. Given the existing and anticipated pressure on waitlists and the impact of increased economic vulnerability, investment must be directed appropriately and should include consideration of growth areas, high risk populations and regional and rural Victoria.

Investment in service funding is required to utilise latent capacity in the existing infrastructure. For example, in some services public dental chairs are not fully operational due to a lack of funding. There is also significant capacity to utilise dental chairs after hours and on weekends to provide services and reduce waiting times, if the funding was made available to deliver services. Service funding should also be coupled with investment in infrastructure to support services to upgrade and where possible scale their programs to increase access without compromising on quality of care or seeking unachievable efficiency gains.

Further, recent outcomes of the enterprise bargaining negotiations have had significant financial impacts on the community health sector. These effects have been inconsistently felt across the sector largely associated with the variable rate of payments for different community health services; this issue is unlikely to be resolved until the funding model review is completed. While community health services were provided with supplementary funding this supplement was not proportionate to the impact, which were not accurately quantified and fully funded by government.

Recommendation: Provide additional funding to target the existing and extensive treatment needs for Victorians already on public dental waitlists across the state; focused on agencies in high growth corridors and areas where public dental eligibility rates are higher than average.

Recommendation: Allocate additional targeted funding for oral health promotion initiatives to break the cycle of oral health deterioration and reduce the potential future burden on Victoria's public dental care services and the broader health system. This additional funding would also assist agencies in delivering the key principles and objectives of the National Oral Health Plan 2015-2024.

Recommendation: Commit funding to support dental care services upgrade or invest in new public dental capital to support services increase capacity for service delivery and reduce wait times to access public dental care.

Recommendation: Quantify and provide additional supplementary government funding to support EBA pay increases.

Theme: Investing to modernise health service digital health infrastructure

Before the COVID-19 outbreak, digital technology was slowly beginning to be leveraged to complement and optimise health care delivery. The pandemic massively accelerated the use of digital solutions as vast swathes of our healthcare system moved online, almost overnight. Health services moved swiftly to move large parts of their workforce to working from home and rapidly transitioned to telehealth, as traditional care settings risked being overwhelmed by the pandemic and efforts were made to limit unnecessary presentations to hospitals, allocate hospital capacity to patients who needed critical care, and contain the spread of the virus. Other virtual models of care also emerged such as the COVID+ Pathways Program and remote monitoring.

The proliferation of telehealth and virtual care during the pandemic made progress towards meeting changing patient and consumer expectations; that they should have easy, convenient access to services they need. These expectations are only likely to persist, and further fuel required growth in virtual healthcare services.

Health services made the most of their existing digital infrastructure to enable these changes. However, in many cases they were hampered by legacy systems that are no longer fit for purpose or reflective of a contemporary health system. It is now time for the state government to support the health system to put the right infrastructure and strategies in place to ensure that appropriate technologies and platforms are integrated into the care delivery model. This means overcoming the traditional difficulties in the modernisation of digital infrastructure across the health system including the organisational, operational and legal barriers to ICT transformation.

The lack of ongoing funding for ICT capital investment and maintenance costs has significantly contributed to the current state of the health system's digital infrastructure. Funding barriers, including an absence of a strategic approach to funding allocations across the state, has only increased the focus on investment at the local level rather than a state-wide approach to integration and interoperability. In the long-term, local level investment increases fragmentation and inconsistency and makes state-wide integration more costly and difficult.

The pandemic has demonstrated the benefits of a Victorian health system that is collaborative and consistent, allowing for rapid and coordinated system-wide responses. This must be strengthened through a coordinated, digitised approach to address the everyday health care needs of Victorians throughout the COVID-normal period and beyond. To date, statewide interoperability of clinical ICT systems has not been achieved and no single, definitive source of truth regarding clinical information about a patient exists across hospitals, community health services and primary care. Overdue investment to achieve statewide consistency in the baseline digital capability of health services is needed and broader consideration of the financial impacts of interfacing existing health information systems with new clinical information sharing platform should also be considered.

Recommendation: Recognising the need to strengthen digital health and ICT capital, finalise the Digital Health Investment Strategy and commit funding to a five-year rolling plan of investment to achieve an equal baseline of digital capability across the system.

Recommendation: Commit recurrent expenditure to support health services maintain and upgrade legacy operating systems.

Theme: Responding to critical infrastructure needs of registered community health services

Victoria's 28 registered community health services play a crucial role in providing vital State Government-funded primary healthcare, social services and other community-based support, often to some of the state's most vulnerable communities. Registered community health services played a critical and unique role in the pandemic response and, like other parts of the health system, implemented a vast array of service adaptations and innovations between March and October 2020. These ranged from traditional to previously untried; from personalised to broadcast; from local to regional and beyond; from low-tech to high-tech, and combinations of all the above to meet the identified needs of their clients and communities.

Whilst the quality and suitability of community health service infrastructure has been an issue for decades, this was highlighted more than ever before by the pandemic. The suitability of physical sites emerged as essential, not only as an infection control measure, but also for the psychological, emotional and social wellbeing of clients and staff. To the extent that they could, many community health services made rapid capital improvements to their facilities to enable

service transformation, physical distancing and safety measures. However, they were hampered by inadequate and outdated infrastructure.

Further, all community health services increased their use of telehealth. This necessitated technology upgrades, practitioner training, establishing appointment systems, ensuring clients had the necessary technology and skills, and developing and integrating telehealth data collection, client risk assessment processes and other clinical guidelines for telehealth appointments; whilst assistance was provided by government many of these adaptations and changes were not funded.

Community health services have traditionally struggled to obtain capital funding due to a lack of dedicated support from government. In addition, where funding has been made available in recent years, community health services must compete with many other organisations and sectors for that funding. For example, both the Regional Health Infrastructure Fund and the recently established Metropolitan Health Infrastructure Fund are open to both hospitals and community health services, limiting the ability of the sector to access its fair share of funding.

Investment in community health infrastructure is of vital importance given not just their critical role in responding to the pandemic but their ongoing support of our most vulnerable communities. Dedicated investment would pay enormous dividends through supporting these agencies to expand service delivery and increase ongoing access for communities, with the potential to support our hospitals by taking some of the strain of ever-increasing healthcare demand.

Recommendation: Establish a dedicated and ongoing Community Health Infrastructure Fund and commit $100 million in the 2021-22 budget to support essential upgrades and strengthen the digital capability of the community health sector.

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