

Rural Regional Roundtable

Building a case for change in regional Victoria

24 June 2022

Event summary

On Tuesday 21 June the VHA welcomed over 60 health board directors, executives, and senior leaders from rural and regional VHA member organisations to our third Rural Regional Roundtable. During the session members were invited to share sector wide challenges and prioritise policy concepts for the upcoming state election in November. Discussion was based around the three election themes: infrastructure, workforce, and funding.

Towards the start of the session, we asked participants to enter a response to the following question: **'From a system-wide perspective, what is currently the biggest pressure?'**



Infrastructure

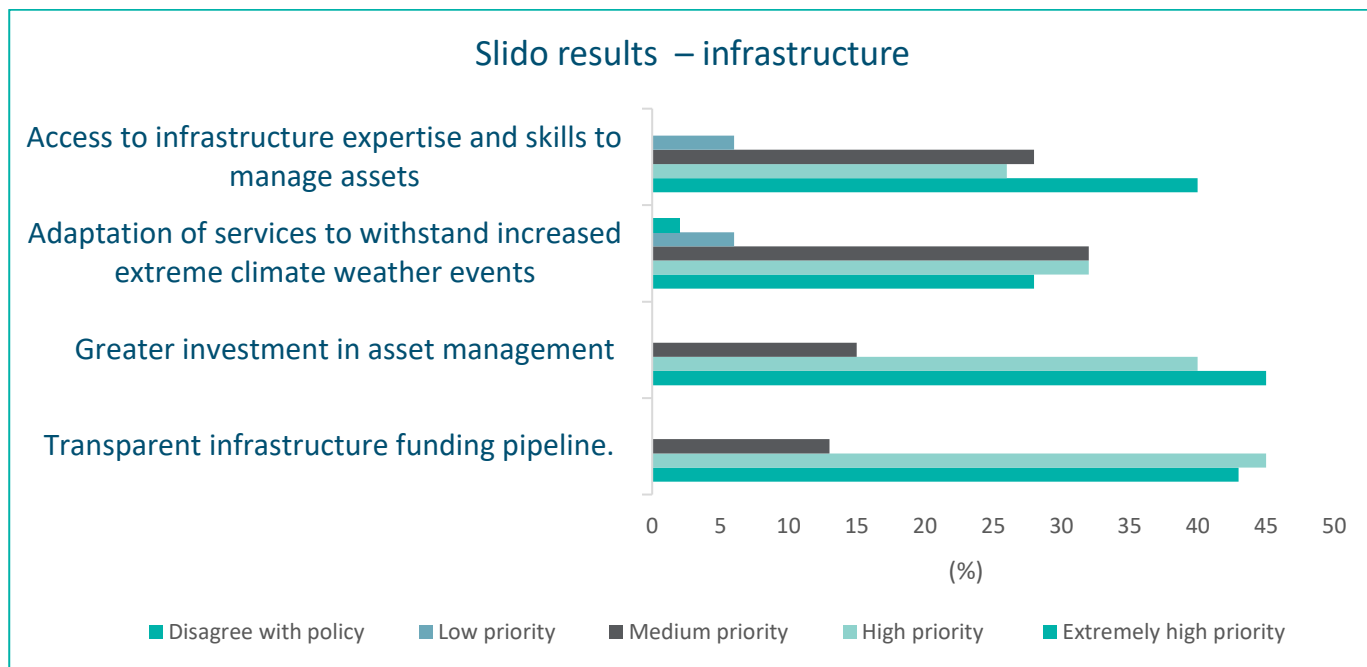
Challenges

- Unclear distribution of infrastructure funding across the state.
- Lack of transparency reduces ability for services to manage capital assets.
- High incidence of ageing infrastructure no longer 'fit for purpose'.
- Lack of digital infrastructure to support introduction of virtual services.
- Lack of resilient infrastructure to withstand increased climate-related extreme weather events.
- Limited access to local capital infrastructure expertise.

86% of members described the state of their infrastructure as high concern or critical; 27% of which reported that infrastructure needs often prevent service delivery capacity.

Areas of focus

Through consultation and analysis, the VHA presented four areas of focus to take to the November election on infrastructure. Members had the opportunity to demonstrate their support for the focus areas through Slido, as shown below:



“Decisions on infrastructure funding are currently political rather than needs-based.”
– Slido participant

Workforce

Challenges

Housing

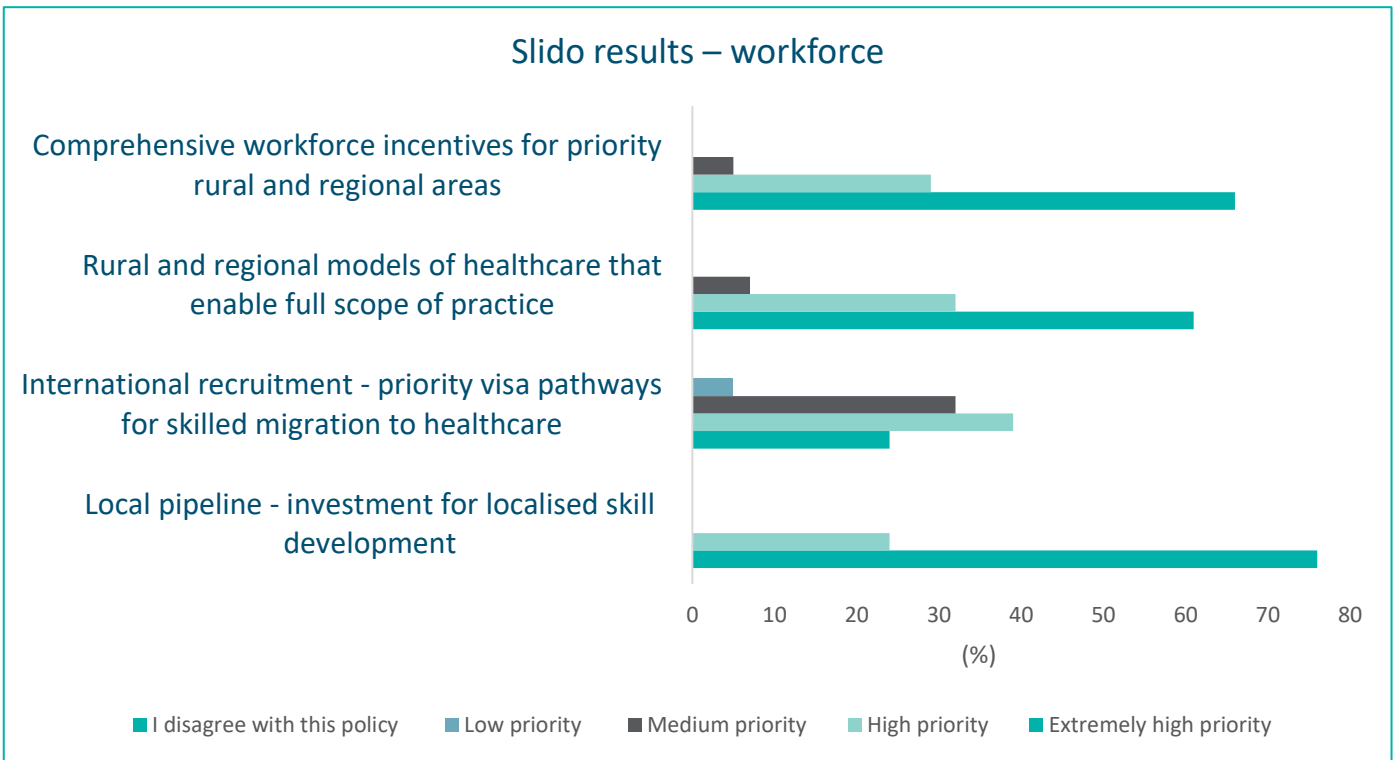
- Housing supply compounded workforce shortages and was identified as a major barrier to people relocating to the area.

Flexible workforce models

- System-wide workforce models do not support the rural and regional service environment.

Competitive remuneration

- Inability to provide competitive remuneration to attract staff.
- Trend of skilled workers leaving to join the private sector.



International recruitment: some members commented they had concerns about the equity of recruiting health professionals during a global shortage of trained health professionals.

Funding

Challenges

- Unviable and unfair Urgent Care Centre funding mechanism.
- Failure of funding to match regional reality and costs.
- Emphasis on activity-based funding and payment in arears.
- State and federal funding disputes.
- Pandemic impact and inflation.

“Current funding models perpetuate metro/rural inequalities... we need to be clear about the policy objectives we’re trying to change and not just tweak existing funding models.”
– Breakout room participant

Members joined breakout room discussions to discuss funding policy priorities:

Urgent Care Centres (UCC)

- UCC funding model is not fit for purpose from both a funding and operational perspective for services. Current model creates further health inequality in rural communities with out-of-pocket fees and acting as a stopgap between comprehensive primary care.
- Support for policy concept of a ‘no gap guarantee’ – ensuring funding models for UCC do not continue to disadvantage service and community.

Out-of-hospital care

- Rurality must be reflected in funding delivery of 'out-of-hospital care'. Services are not compensated for travelling large distances to provide care and this is further compounding workforce shortages.
- Health equity must be central to funding mechanism and linked to comprehensive prevention and primary care.

Activity-based funding (ABF)

- ABF targets are increasing challenging to meet and do not reflect rurality factors such as scale.
- Payment-in-arear model compounds challenges of ABF model and service cash flow.

State and federal funding disputes

- Push from federal government to implement consumer choice models of care which do not work in thin markets.
- Federal policy directive for aged care and primary care funding does not consider Victorian context.
- Lack of connectivity between state and federal compliance compounds administration and red tape burden on services.

Increase demand

- COVID-19 care needs to be moved to BAU. Services are seeing an influx of patients who haven't received care or screening throughout the pandemic.
- Funders must enable service reform for acute care, primary care, and community health settings.
- We need commitment to health equity and address the vulnerabilities in the system that COVID-19 has highlighted.

Funding impacts on workforce

- Funding models further compound workforce challenges as rurality is not considered and time not compensated to deliver home-based care.