

AUSTRALIA'S 2019-20 FEDERAL BUDGET

SUMMARY FOR THE HEALTH AND AGED-CARE SECTOR

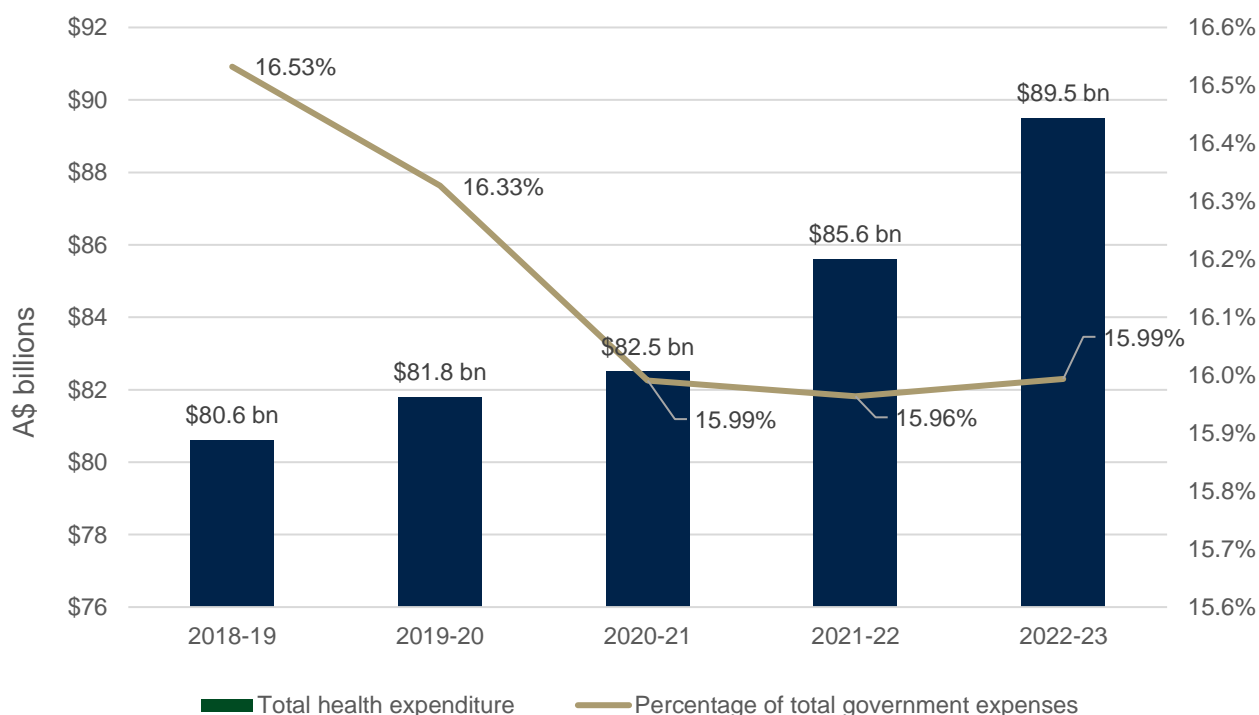
OVERVIEW OF THE BUDGET FOR HEALTH SECTOR

The federal government has budgeted to spend A\$81.8 billion on health in the 2019-20 financial year, up from A\$80.6 billion in 2018-19, representing 16.3 per cent of all proposed government expenditure (up slightly from 16.1 per cent in 2018-19). By 2022-23, the government projects that it will spend A\$89.5 billion on health, or 16.0 per cent of total government expenses.

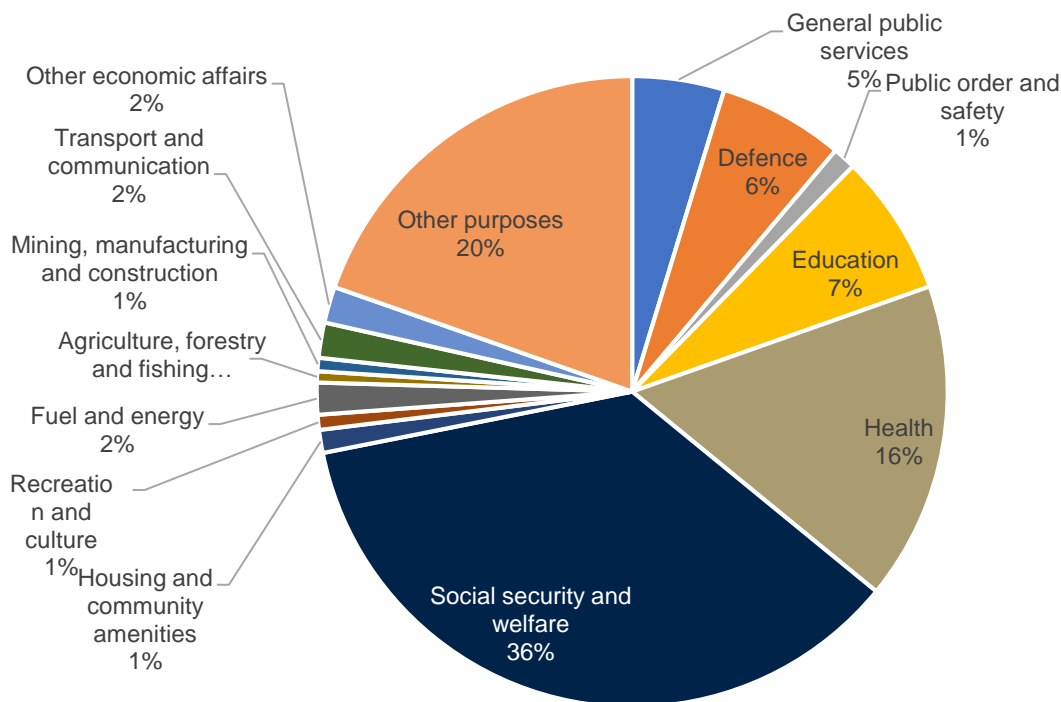
The government states the following on the increase in health spending in the budget papers:

“The increase in expenses from 2019-20 to 2022-23 is largely driven by growth in the assistance to the states for public hospitals and medical services and benefits sub-functions. The increase in payments for public hospitals reflects higher growth in activity, and the growth in expenditure for medical services reflects the growth in use of high-value items as well as the introduction of measures to strengthen primary care, including a new chronic disease care funding model and increased funding for diagnostic imaging services.”

Total expenditure on health compared with total government expenses – 2018-19 to 2022-23



Expenditure on health – by sub-function 2019-20



MAJOR ANNOUNCEMENTS ON HEALTH AND AGEING IN THE BUDGET

Guaranteeing and strengthening Medicare

The government stated that it will continue to guarantee and strengthen Medicare. As part of that, the government proposes to allocate:

- A\$1.1 billion to the Strengthening Primary Care package, which includes:
 - A\$448 million over three years from 2020-21 for a new chronic disease care funding model that will provide additional funding to participating practices to better support high-needs patients
 - A\$201 million over five years from 2018-19 to promote quality improvements in general practice by increasing the amount of funding for the revised Practice Incentives Program Quality Incentive and maintaining the current aged-care incentive
 - A\$187 million over four years from 2019-20 to reintroduce indexation to all remaining General Practitioner services on the Medicare Benefits Schedule (MBS)
 - A\$62 million over five years from 2018-19 to implement a new medical training pathway for rural generalists and provide additional training places for general practitioners in rural, remote and regional communities
 - A\$38 million over five years from 2018-19 towards other community health projects to support primary care and improve frontline health services for Australians
 - A\$28 million over five years from 2018-19 to St John Hospitals to trial urgent care centres in Western Australia
 - A\$26 million in 2019-20 to allow a longer transition to new arrangements to the geographic eligibility criteria for the rural bulk billing incentives and the Workforce Incentive Program, which will now commence from 1 January 2020

- A\$12 million over three years from 2019-20 to enhance and extend the Childhood Immunisation Education Campaign to raise awareness and counter misinformation to increase rates of vaccination, and extend the eligibility for the Fluarix Tetra quadrivalent influenza vaccine provided through the National Immunisation Program to include patients from six months of age up to three years of age
- A\$199 million to increase patient rebates for diagnostic imaging items on the MBS from 1 July 2020
- A\$152 million in new MRI licences, bringing total funding since 2018 to A\$379 million for 53 new MRI licences nationally
- A\$33 million to reduce the cost of services for MRI
- funding for a new MBS item for heart health checks.

Community Health and Hospitals Program

The government is proposing a A\$1.3 billion *Community Health and Hospitals Program*. This program includes:

- A\$100 million to build a comprehensive children's cancer centre at Sydney Children's Hospital
- A\$80 million to establish a Centre of Excellence in Cellular Immunotherapy in Victoria
- A\$60 million to support the James Cook University Tropical Enterprise Centre in Queensland to become a centre of excellence in tropical medicine
- A\$30 million for the construction of a new brain and spinal ward at the Repatriation Hospital in South Australia
- A\$26 million for a new Ambulatory Care Centre at the Alice Springs Hospital
- A\$25 million to upgrade the Peel Health Campus in Western Australia
- A\$24 million to improve health outcomes for individuals living with brain and spinal cord injuries in Queensland.

Reducing the costs of some medicines

The government is proposing to allocate A\$331 million for new and amended listings on the Pharmaceutical Benefits Scheme (PBS), including medicines to treat lung, bladder, kidney and skin cancer, as well as leukaemia.

Medical research

The government is seeking to encourage medical research through the A\$5 billion Medical Research Future Fund Ten Year Investment Plan. This includes:

- A\$1.2 billion to progress research ideas from the lab to the clinic
- a further A\$554 million for emerging priorities and consumer-driven research
- a further A\$430 million for the Genomics Health Futures Mission
- a further A\$354 million for clinical trials for rare cancers, rare diseases and unmet needs
- A\$220 million for the Mission for Cardiovascular Health
- A\$185 million for the Dementia, Ageing and Aged Care Mission
- A\$160 million for Indigenous health futures
- A\$150 million for Stem Cell Therapy Mission
- A\$40 million for traumatic brain injury research
- a further A\$23 million for tackling antimicrobial resistance and drug-resistant tuberculosis.

The government is also proposing to provide:

- A\$56 million for research into type 1 diabetes
- A\$20 million over four years from 2019-20 to establish the Health and Medical Research Office
- A\$18 million for the Charles Sturt and Western Sydney Universities to establish the Institute for Regional, Rural and Remote Health and Medical Research in Orange
- A\$10 million over three years from 2019-20 to the Lowitja Institute, Australia's National Institute for Aboriginal and Torres Strait Islander health research
- A\$10 million to establish the Curtin University Dementia Centre of Excellence.

Mental health

The government is proposing to provide A\$737 million over seven years to deliver more services for people living with mental illness, including A\$461 million for youth mental health and suicide prevention.

Additional funding of A\$111 million is being provided for 30 new headspace services by 2021 to support young people.

Funding includes:

- A\$152 million to reduce waiting lists for headspace
- A\$115 million to trial eight adult mental health centres
- A\$111 million for an additional 30 headspace services, including satellite services
- A\$110 million to extend the Youth Early Psychosis Program for two years
- A\$54 million over six years to establish four specialist residential facilities for eating disorders
- A\$44 million over seven years from 2018-19 for a new Perinatal Mental Health and Wellbeing Program to support the mental health of expectant and new parents by improving access to mental health support and treatment services, and increasing community awareness of the mental health issues experienced by new parents
- A\$15 million over three years from 2019-20 to the Australian Institute of Health and Welfare for the improvement of data on self-harm and suicide.

Ageing and aged care

Key initiatives in the ageing and aged-care area include:

- A\$282 million over five years from 2018-19 for the release of an additional 10,000 home care packages across the four package levels
- A\$320 million in 2018-19 for a one-off increase to the basic subsidy for residential aged-care recipients
- A\$84 million over four years to expand support for young carers under the Integrated Carer Support Service. The package will increase the number of targeted financial support packages to support education, training and access to respite, in addition to expanding the regional delivery partner network
- A\$38 million over five years from 2018-19 to strengthen aged-care regulation through the establishment of a risk-based compliance and information sharing system in the Aged Care Quality and Safety Commission
- A\$36 million over five years from 2018-19 for an increase to the Dementia and Cognition Supplement and the Veterans' Supplement to support home care recipients who require additional care to stay in their homes longer
- A\$8 million over five years from 2018-19 to introduce mandatory reporting against national residential care quality indicators for pressure sores, use of physical restraint, weight loss, falls and fractures, and medication management
- A\$8 million over two years from 2018-19 to develop an end-to-end compliance framework for the Home Care Packages Program, including the increased auditing and monitoring of home care providers
- A\$7 million over three years from 2018-19 to support aged-care providers to better manage their finances through the provision of business advisory services
- A\$7 million over two years from 2018-19 to improve payment administration arrangements for home care packages to address stakeholder concerns regarding unspent funds and align home care arrangements with other government programs, such as the National Disability Insurance Scheme

Dental

The government proposes to provide more than A\$1.0 billion over three years from 1 January 2020 for the Child Dental Benefits Schedule (CDBS), including extending the payment of benefits for eligible dental services provided in the public sector. The CDBS provides eligible children aged between two and 17 years access to A\$1000 of dental services over a two-year period.

This measure builds on the 2017-18 Budget measure titled Child Dental Benefits Schedule – increased cap.

OTHER HEALTH BUDGET ANNOUNCEMENTS

Other health announcements included in the Budget include:

- A\$215 million over three years from 2020-21 to provide additional remuneration to community pharmacies through increased administration, handling and infrastructure fees on all PBS scripts
- A\$200 million in 2019-20 to continue the My Health Record system
- A\$108 million over seven years from 2018-19 to improve Australia's health and hospital system, including A\$16 million to improve patient access to Redland Hospital and A\$5 million for the refurbishment of medical imaging at Bowen Hospital, both in Queensland.
- A\$106 million over five years from 2018-19 to continue to improve Medicare compliance arrangements and debt recovery practices. The government will continue to consult with professional bodies and stakeholder groups on the compliance strategies
- A\$71 million over seven years from 2018-19 for additional infrastructure and services to support the diagnosis, treatment and therapy for cancer patients including those in regional areas, with \$45.5 million of the money to be used to establish Cancer Treatment Centres in regional Australia
- A\$67 million over five years from 2018-19 to support Australian Disability Enterprises (ADEs) in transitioning to a new wage assessment model
- A\$40 million over three years from 2019-20 for the Commonwealth's contribution to implementing the National Blood Borne Viruses (BBV) and Sexually Transmissible Infections (STI) Strategies for 2018-22
- A\$28 million over four years for the McGrath Foundation for an additional 41 breast care nurse positions (previously announced)
- A\$22 million over five years from 2018-19 to extend eligibility for the Department of Veterans' Affairs Health Card to members of the Australian civilian surgical and medical teams who provided medical aid and training within civilian hospitals in South Vietnam under a South-East Asian Treaty Organization civilian aid program between October 1964 and December 1972
- A\$20 million over four years from 2019-20 towards the Epilepsy Smart Australia Program pilot that will be delivered by Epilepsy Australia member organisations to support Australians living with epilepsy
- A\$17 million over three years from 2020-21 to support up to 34 new prostate cancer nurses and continue funding for existing nurses
- A\$17 million over four years from 2019-20 to improve the management of the National Medical Stockpile including the storage, transport, stocktake and disposal of medicines, vaccines and antidotes that are maintained to respond to public health emergencies
- A\$15 million over three years from 2020-21 for additional Community Service Obligation payments to pharmacy wholesalers
- A\$15 million in 2018-19 to expand the Dose Administration Aids program and the MedsCheck and Diabetes MedsCheck programs in community pharmacies
- A\$4 million over four years from 2019-20 to implement the recommendations of the Third Review of the National Gene Technology Scheme. Funding will be used to implement review recommendations in conjunction with states and territories and to support the role of the Office of the Gene Technology Regulator
- A\$2 million over four years from 2019-20 for a national program to assist veterans who are concerned about their use of the anti-malarial medications Mefloquine or Tafenoquine while serving in the Australian Defence Force
- funding over five years from 2018-19 for new listings on the Life Saving Drugs Program. The government will provide access at no cost for the drugs that are typically used to treat babies and young children with Hereditary Tyrosinaemia Type 1 and Batten disease
- subsidise two new items on the MBS for the diagnosis of breast cancer using MRI
- provide access to two new items on the MBS for whole body Fluorodeoxyglucose Positron Emission Tomography for the evaluation of breast cancer
- index ultrasound and X-ray diagnostic imaging services from 1 July 2020
- implement recommendations of the independent clinician-led MBS Review Taskforce by restricting the use of scanning items for deep vein thrombosis, restricting co-claiming of diagnostic services, promoting the use of modern diagnostic imaging equipment, simplifying rules and removing obsolete services
- the government will implement the recommendations of the Stoma Product Assessment Panel to list 13 new items, amend the prices and pack sizes of nine current items, and remove 30 items from the Stoma Appliance Scheme
- aligning public and private hospital pharmacy pricing with the community pharmacy pricing arrangements from 1 July 2019

- the government will improve cash flows for community pharmacies by reducing the period of time that the government takes to process claims against the PBS from nine to 16 days to two to nine days
- A\$3 million over four years from 2018-19 for the operational costs of the Australian Breast Device Registry, Cardiac Device Registry, Australian and New Zealand Hip Fracture Registry, and the Australian Trauma Registry to support improved clinical care
- A\$2 million for the Australian Red Cross Service Blood Bank to establish a centralised donor milk bank service
- A\$1 million over two years from 2019-20 to continue Commonwealth support for the Health Star Rating system, in collaboration with the states and territories, while an evaluation of the system is completed
- A\$300,000 in 2018-19 to the not-for-profit organisation e.motion21 for a 12-month pilot program, Impact21, to support education and employment of young people with Down syndrome
- A\$200,000 for changes to the Continuous Glucose Monitoring program.

ALP HEALTH POLICY AND RELATED POLICIES

From publicly available information, the ALP's health policy includes the following as at 6 April 2019:

- Lifting the cap on staff numbers at the National Disability Insurance Agency (NDIA)
- Of the promised 100,000 additional TAFE places, 20,000 of these will be allocated to aged care workers and paid carers for the National Disability Insurance Scheme
- A A\$2.3 billion Medicare Cancer Plan. The Plan includes:
 - A\$600 million towards eliminating all of the out-of-pocket costs for diagnostic imaging
 - A\$433 million to cover specialist consultations for cancer patients
 - Every drug recommended by the independent experts will be listed on the PBS.
- Labor proposes to cap the price increases of private health insurance premiums at 2 per cent for two years and task the Productivity Commission with reviewing the private health system, with an emphasis on improving affordability and value
- A\$53 million to prevention, testing and treatment of HIV, including expanding access to the game changing preventative medicine, PrEP
- Proposes to regulate for-profit drug and alcohol treatment providers for the first time
- Provide A\$12 million towards Ovarian Cancer Australia's National Action Plan for Ovarian Cancer Research.