



AUSTRALASIAN COLLEGE
FOR EMERGENCY MEDICINE

2014/15 AUSTRALIAN FEDERAL BUDGET OVERVIEW

1. MAJOR BUDGET ITEMS

- \$7 GP co-payment for GP-visits, with States and Territories able to introduce ED fees for GP patients
- Cessation of *National Partnership Agreement on Improving Public Hospital Services* from 2015 and immediate end to incentive payments, which will likely result in the end of National Emergency Access Target
- Reduction in federal funding to public hospital sector due to change to CPI indexation in funding formula
- 110 Emergency Medicine STP posts continued funding to 2017
- \$140 million in 2014-15 to support operation of Personally Controlled Electronic Health Record
- \$16.5 million over five years to enabling paperless claiming for Pharmaceutical Benefits Scheme medicines dispensing from medication charts in public and private hospitals. Will also reduce the risk of dispensing errors during the transcription of data from medication charts
- Cessation or merger of range of government health agencies with which ACEM has had engagement – includes Australian National Preventative Health Agency, Health Workforce Australia, Australian Institute of Health and Welfare, National Health Performance Authority and Independent Hospital Pricing Authority
- Cessation of the National Partnership Agreement on Preventive Health
- Cessation of the next phase of the Australian National Preventive Health Agency's mainstream National Tobacco Campaign with the Department of Health to develop a new lower cost online and social media campaign to support smoking cessation activities
- Department of Health to work with States and Territories, experts and communities under the guidance of the National Drug Strategy 2010-2015 to minimise the harms associated with alcohol, tobacco and other drug use
- Majority of health spending cuts will be *"invested by the Government in the Medical Research Future Fund."*

2. EXTRACTS FROM BUDGET PAPERS – HEALTH PORTFOLIO

2.1 Introducing patient contributions for GP, pathology and diagnostic imaging services

- Reducing Medicare Benefits Schedule (MBS) rebates from 1 July 2015 by \$5 for standard GP consultations and out-of-hospital pathology and diagnostic imaging services **and allowing the providers of these services to collect a patient contribution of \$7 per service.**
- For patients with concession cards and children under 16 years of age the MBS rebate will only be reduced for the first 10 services in each year, after which it will return to current benefit levels.
 - A new Low Gap Incentive will replace bulk billing incentives for providers of these services. The Low Gap Incentive will be paid to providers where they provide services to patients with concession cards or children under 16 years of age and only charge the \$7 patient contribution - for the first 10 services in a year, or where they charge no patient contribution - for additional services in that year.
- The measure will also remove the restriction on State and Territory Governments from charging patients presenting to hospital emergency departments for general practitioner like attendances.
- The savings from this measure will be invested by the Government in the *Medical Research Future Fund.*

Outcome 3, Access to Medical & Dental Services:

http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS

2.2 National Partnership Agreement on Improving Public Hospital Services – cessation

- States and Territories committed to achieving targets related to elective surgery and emergency department performance....In light of limited performance to date against these targets the NPA IPHS will cease on 1 July 2015
- Savings of \$201.0 million over three years from 2015-16 by ceasing reward funding to States and Territories under the *National Partnership Agreement on Improving Public Hospital Services*.
- The savings from this measure will be invested by the Government in the *Medical Research Future Fund*.

2.3 Public Hospitals

- From 2014-15 by Government will remove the funding guarantees under the *National Health Reform Agreement 2011*, in order to provide States and Territories with a stronger incentive to increase the efficiency of their public hospitals
- Revising Commonwealth Public Hospital funding arrangements from 1 July 2017, to recognise States' & Territories' responsibility of managing an efficient public hospital sector
- From 2017-18, Commonwealth will index its contribution to hospitals by a combination of the CPI and population growth
- Savings from these measures will be invested by the Government into the *Medical Research Future Fund*

Outcome 4, Acute Care:

[http://www.health.gov.au/internet/budget/publishing.nsf/Content/20142015_Health_PBS_sup1/\\$File/2014-15_Health_PBS_2.04_Outcome_4.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/20142015_Health_PBS_sup1/$File/2014-15_Health_PBS_2.04_Outcome_4.pdf)

2.4 Medical Research Future Fund

- \$276.2 million over three years from 1 July 2015 in net earnings from the Medical Research Future Fund (MRFF) to fund critical medical research in the medium to long term.
- Payments from the MRFF expected to reach around \$1.0 billion per year from 2022-23.

[http://www.health.gov.au/internet/budget/publishing.nsf/Content/4118816848C5336FCA257CBB001B0DFA/\\$File/2014-15_Health_PBS_1.04_Agency_Resources_and_Planned_Perf.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/4118816848C5336FCA257CBB001B0DFA/$File/2014-15_Health_PBS_1.04_Agency_Resources_and_Planned_Perf.pdf)

2.5 Increased Investment in Medical Training & Education

- Number of additional emergency medicine specialist trainee positions delivered in Emergency Departments – 110 posts to continue until 2017

Quantitative Deliverable	Academic Year 2013 Revised Budget	Academic Year 2014 Target	Academic Year 2015	Academic Year 2016	Academic Year 2017
Number of additional EM specialist trainee positions delivered in EDs	66	88	110	110	110

Outcome 8, Health Workforce Capacity:

http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS

2.6 Medicare Locals to be replaced

- Replace Medicare Locals with Primary Health Networks from 1 July 2015.
- The Primary Health Networks will establish Clinical Councils, with a significant GP presence, and local Consumer Advisory Committees that are aligned to Local Hospital Networks, to ensure primary health care and acute care sectors work together to improve patient care.
- Cost of this measure will be met from within the existing resources of the Department of Health.

Outcome 5, Primary Healthcare: [http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS_sup1/\\$File/2014-15_Health_PBS_2.05_Outcome_5.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS_sup1/$File/2014-15_Health_PBS_2.05_Outcome_5.pdf)

2.7 Personally Controlled Electronic Health Record System

- Provide \$140.6 million in 2014-15 for the continued operation of the Personally Controlled Electronic Health Record (PCEHR) system while the Government finalises its response to the review of the PCEHR.

Outcome 7, Healthcare Infrastructure, Regulation, Safety & Quality:
[http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS_sup1/\\$File/2014-15_Health_PBS_2.07_Outcome_7.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS_sup1/$File/2014-15_Health_PBS_2.07_Outcome_7.pdf)

2.8 Diagnostic Imaging

- Ceasing the *Diagnostic Imaging Quality Programme*.
- The savings from this measure will be invested by the Government in the *Medical Research Future Fund*.

Outcome 3, Access to Medical & Dental Services:
http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS

2.9 Drug Strategy

- In 2014-15, the Department will work with States and Territories, experts and communities under the guidance of the National Drug Strategy 2010-2015 to minimise the harms associated with alcohol, tobacco and other drug use.
- Support drug and alcohol misuse prevention and early intervention activities as well as treatment services to build, provide and deliver quality, evidence-based services.
- In 2014-15, the Government will continue to fund the defence of legal challenges to the tobacco plain packaging legislation in international forums. The Department will also undertake a post-implementation review of the tobacco plain packaging measure. The review will commence by December 2014.
- Work with States and Territories to implement a national framework for responding to new psychoactive drugs
- Implement next phase of the National Drugs Campaign, focusing on new psychoactive substances and illicit pills

Outcome 1, Population Health:
[http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS_sup1/\\$File/2014-15_Health_PBS_2.01_Outcome_1.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS_sup1/$File/2014-15_Health_PBS_2.01_Outcome_1.pdf)

2.10 Support for a range of palliative and end of life care projects

- The Government will also seek to support a range of national palliative care projects, to improve the provision of high quality palliative care in Australia by supporting projects primarily focusing on education, training, quality improvement and advance care planning

Outcome 1, Population Health:
[http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS_sup1/\\$File/2014-15_Health_PBS_2.01_Outcome_1.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS_sup1/$File/2014-15_Health_PBS_2.01_Outcome_1.pdf)

2.11 Australian National Preventative Health Agency to be abolished

- The Government will achieve savings of \$6.4 million over five years from 2013-14 by abolishing the *Australian National Preventive Health Agency* and integrating ongoing functions into the Department of Health, including the administration of social marketing activities and the provision of grants to third parties for preventive health activities.
- The savings from this measure will be invested by the Government in the Medical Research Future Fund.

2.12 Health Workforce Australia to be abolished

- The Government will achieve savings of \$142.0 million over five years by abolishing Health Workforce Australia and consolidating its functions into the Department of Health.
- Savings will be achieved through administrative efficiencies, ceasing the planned expansion of the *Clinical Training Funding Programme* which is currently managed by Health Workforce Australia, and redirecting uncommitted funds in the *Health Workforce Fund*.
- This measure delivers on the Government's election commitment.

Agency Resources & Planned Performance:

[http://www.health.gov.au/internet/budget/publishing.nsf/Content/4118816848C5336FCA257CBB001B0DFA/\\$File/2014-15 Health PBS 1.04 Agency Resources and Planned Perf.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/4118816848C5336FCA257CBB001B0DFA/$File/2014-15%20Health%20PBS%201.04%20Agency%20Resources%20and%20Planned%20Perf.pdf)

2.13 General Practice Teaching Payments

- Provide \$238.4 million over five years to double the *Practice Incentives Programme (PIP) Teaching Payment* for general practices who provide teaching opportunities to medical students. The PIP Teaching Payment will increase from \$100 to \$200 for each three hour session, to encourage general practices to provide teaching sessions to undergraduate and graduate medical students.

Outcome 5, Primary Health Care: [http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015 Health PBS sup1/\\$File/2014-15 Health PBS 2.05 Outcome 5.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015%20Health%20PBS%20sup1/$File/2014-15%20Health%20PBS%202.05%20Outcome%205.pdf)

2.14 PBS – increase in co-payments and safety net thresholds

- Savings of \$1.3 billion over four years from 1 January 2015 by increasing the Pharmaceutical Benefits Scheme (PBS) co-payments and safety net thresholds.
- Co-payments will increase for general patients by \$5.00 (from \$37.70 to \$42.70) and for concessional patients by \$0.80 (from \$6.10 to \$6.90) in 2015.
- PBS safety net thresholds will increase each year for four years from 1 January 2015, with general safety net thresholds to increase by 10 per cent each year and concessional safety nets to increase by the cost of two prescriptions each year.
- These increases are in addition to the existing annual indexation of co-payments and safety net thresholds in line with the Consumer Price Index.
- The savings from this measure will be invested by the Government in the *Medical Research Future Fund*.

Outcome 3, Access to Medical & Dental Services:

[http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015 Health PBS sup1/\\$File/2014-15 Health PBS 2.05 Outcome 5.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015%20Health%20PBS%20sup1/$File/2014-15%20Health%20PBS%202.05%20Outcome%205.pdf)

2.15 Supporting the Royal Flying Doctor Service

- The Government will provide an additional \$6.0 million in 2014-15 to support the Royal Flying Doctor Service to deliver emergency and primary health care services to people in rural and remote communities of Australia.
- This measure supports the Government's commitment to rural and remote communities.

Outcome 5, Primary Health Care: [http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS_sup1/\\$File/2014-15_Health_PBS_2.05_Outcome_5.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS_sup1/$File/2014-15_Health_PBS_2.05_Outcome_5.pdf)

- *Treasury Department Budget 2014/5 webpage:* <http://www.budget.gov.au/2014-15/index.htm>
- *Health Portfolio Budget Statements webpage:* http://www.health.gov.au/internet/budget/publishing.nsf/Content/2014-2015_Health_PBS

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