

HEALTH SERVICE SYSTEM UPDATE

Timboon and District Healthcare Service (TDHS) is dedicated to working together for a healthy community. We are always prepared for our organisation and broader sector to evolve and change to best serve our communities and to ensure we are functioning safely and efficiently.

There has been significant recent media coverage regarding health sector wide issues and how they may affect health services provided locally and across Victoria.

Two separate matters have been reported either together or at around the same time which may be confusing to staff and the general community. Both matters involve actual or proposed change in the health sector both in terms of funding and structure.

The first matter relates to **finances** in public health services.

Around one third of Victoria's State Budget (\$27.5 Billion in 2022-23) is spent in health care. Demand for health services continues to increase as does the cost of providing services – with costs at State level reported to have gone up 9.8% every year for the past 5 years.

TDHS is small compared to the rest of the sector, but like all Victorian Health Services, we have been asked to do our part in controlling healthcare expenditure.

All Victorian Health Services have been asked to manage within our agreed budgets and submit a Financial Management Improvement Plan (FMIP) to reduce our costs by around 5% over the next 3 years. The requirement is that savings should not impact direct patient and consumer services.

TDHS is committed to responsible financial management, and we are constantly seeking to contain costs and work within our budget, so this request is in line with what we do already as an organisation.

TDHS has submitted the requested FMIP and consistent with the request it does not involve the loss of any existing jobs or reduction in services. The proposed FMIP has not yet been approved for implementation.

The second matter involves the development of a **Health Services Plan**.

The Health Department has provided a Q&A document explaining this process which is attached at the end of this document.

TDHS has participated in the process conducted by the Department appointed Expert Advisory Committee (EAC).

The EAC has now provided a report to the Department, and it will in due course be provided to the Government.

The report outlines two options for the Government to consider, as follow.

*o **Option A: Strengthened partnerships** -This would see formal partnerships established between existing health services, who would be collectively responsible for working together to deliver benefits to their regions.*

*o **Option B: Health service consolidations** – This is about health services in a region being consolidated into a single entity for each Local Health Service Network. Existing health services would maintain their own visible leadership, Advisory Boards and existing identities and branding.*

TDHS has identified a strong preference for Option A: Strengthened Partnerships and the retention of local governance and has communicated our position to the Minister for Health and our local government Members of Parliament.

TDHS has fed back that the EAC has taken an acute hospital centric view of the health service system. While this is very important TDHS's role in the system as a small rural health service is focussed on the provision of low acuity inpatient services, including aged care, and local primary and community care services. These services are essential to the wellbeing of our community and complement services provided by partner organisations.

TDHS is keen to see and be part of service system improvements that reduce inequity and improve consumer outcomes, but we do not believe this requires structural governance and management changes such as proposed in Option B: Health Service Consolidations.

TDHS will provide additional information as it becomes available.

Frank Carlus
TDHS Board Chair
31 May 2024

Encl: Health Services Plan – Key messages to support CEOs and Board Chairs in conversations with staff and community

Health Services Plan

Key Messages to support CEOs and Board Chairs in conversations with staff and community

Background

- We've always had a high performing health system here in Victoria, but the reality is, where you live plays a huge part in how you experience our system and the quality of care you receive. That is simply not fair.
- People from all walks of life have different outcomes from the same procedures, unequal access to specialist treatment and some are seen quicker than others.
- The structure of the Victorian health services system has been largely unchanged for decades, despite rapidly-changing population needs and many new innovations in how care is provided.
- We require a better-connected system that is easier for patients to use, delivers better healthcare and supports a strong workforce.
- With this in mind, the Department of Health established a process to develop a draft Health Services Plan to consider the best design and governance of the public health services system - looking at how public health services can better work together to improve care for all Victorians.
- An external Expert Advisory Committee led the development of the Health Services Plan in collaboration with health service leaders, and with the support of the Department of Health. The Committee is independent from government.

Current status

- The EAC has now concluded its assessment process and consultation with the sector.
- A final report outlining the EAC's findings and recommendations has been received by the Department of Health. The Department's advice and the EAC Report is being provided to Government.
- This advice will be considered by Government ahead of any decisions being made about changes to Victoria's health system.
- It is expected this process will continue over the next few months.
- Health service staff and communities will be consulted on what their priorities are, and what matters to them the most when it comes to health care.

Questions and Answers

How long will Government take to make a decision?

- The report is extensive, and Government will need to take time to consider all the EAC recommendations and any additional advice from the Department of Health.
- It is expected this process will continue over the next few months.

Will the community be consulted about this?

- Health service staff and communities will be consulted on what their priorities are, and what matters to them the most when it comes to health care.

Will this mean the closure of hospitals?

- No hospital will close as a result of the Health Service Plan.
- The Minister has made it clear there will be no hospital or site closures.
- The local hospitals that you have worked so hard to support, in some cases for many generations, will continue to serve their local communities.

Isn't this just a cost saving measure?

- This report is about ensuring the design and governance of our public health services system is fit for purpose so we can improve equity and access for Victorians, ensuring they get the right care, in the right place, at the right time.
- The structure of the Victorian health services system has been largely unchanged for decades, despite rapidly-changing population needs and many new innovations in how care is provided.
- We've always had a high performing health system here in Victoria, but the reality is, where you live plays a huge part in how you experience our system and the quality of care you receive. That is simply not fair.
- We require a better-connected system that is easier for patients to use, delivers better healthcare and supports a strong workforce – and the Health Service Plan will help us achieve that.

Who did the EAC consult with?

- The independent EAC undertook three rounds of consultation to ensure the views and ideas from health service leaders across the state were heard and informed the final report.
- The EAC also took advice from other jurisdictions, national and international health system experts and they briefed industrial partners who represent key workforces.

What was proposed through the EAC consultation?

- Some of the main issues raised with the EAC include inequities in patient experience and difficulties accessing care, workforce attraction and retention, and unnecessary duplication. As well as the importance of local identities and hospital "brand" names which, in some cases, have international recognition.
- Informed by feedback to date, the EAC is proposing to establish Local Health Service Networks – geographic groupings of health service sites with responsibility for improving patient care and supporting workforce in specific geographic regions – with the aim of ensuring most patients' care needs are delivered as close to home as possible.
- The Networks would be established based on a range of factors including natural patient flows, geography and transport networks, and population and community characteristics.
- Two concepts were under consideration to support the establishment of Local Health Service Networks:

- **Option A: Strengthened partnerships** -This would see formal partnerships established between existing health services, who would be collectively responsible for working together to deliver benefits for their region.
- **Option B: Health service consolidations** - This is about health services in a region being consolidated into a single entity for each Local Health Service Network. Existing health services would maintain their own visible leadership, Advisory Boards and existing identities and branding.
- The importance of retaining local voices, local hospital identities and local leadership was a key discussion point throughout the process and the EAC has reiterated that this must continue for the Plan to be successful.