Australian Nursing and Midwifery Federation (ACT Branch)

A Submission to the Inquiry into the future sustainability of health funding in the ACT

23 February 2018
About the ANMF ACT

The Australian Nursing and Midwifery Federation ACT Branch (ANMF) Enterprise Agreements cover over 95% of the Nursing and Midwifery workers practicing in the ACT. As such, the ANMF represents the industrial, professional and social justice interests of a majority of the Nursing and Midwifery workforce in the ACT, with the majority of the ANMF’s members employed by the ACT Government or working in the ACT Public Service. Members of the ANMF, whether classified as Registered Nurses, Registered Midwives, Enrolled Nurses or Assistants-in-Nursing, can be found across almost every part of the ACT Healthcare system including in public and private hospitals, aged care, mental health, community nursing, prisons, schools, the armed forces, community health and medical centres.

The ANMF nationally is Australia’s largest union, with over 260,000 members, and regularly participates in the development and implementation of policy relating to Nursing and Midwifery practice, regulation, education, training, health and aged care, community services, work health and safety, industrial relations, social justice, human rights and law reform.

Recommendations

1. That the Committee recommend that the ACT Government establish a Health Workforce Reform Implementation Taskforce, to assess how to better utilise Nursing and Midwifery workers in the ACT Healthcare system, with a focus on providing cost-effective, high quality healthcare.

2. That the Committee recommend that the ACT Government work collaboratively with the ANMF to introduce a mandatory minimum Nurse/Midwife-to-Patient Ratios framework.

3. That the Committee recommend that the ACT Government continues the development and expansion of Nurse-led Walk-in centres in the ACT, and further encourage their use to alleviate pressure from the ACT hospital system.

Applicable Terms of Reference

This submission considers matters relevant to, and aligning with, the following terms of reference of the Inquiry:

a. The efficiency of current health financing; particularly examining the alignment of funding with the purpose of the ACT’s health services, including the provision of quality and accessible health care to patients when they need it;

b. The nature of health funding and how it improves patient outcomes including innovative or alternative programs such as hospital in the home and walk in centres;

c. The impact of health financing of:
Introduction

The ANMF thanks the Standing Committee on Health, Ageing and Community Services for inviting the ANMF to provide a submission to assist the Standing Committee with their ongoing work.

The ANMF considers this Inquiry has significant relevance to the ANMF as a representative of a significant proportion of the healthcare workforce in the ACT. Consequently, any decisions affecting the future direction of health funding in the ACT will, more than likely, have a substantial impact upon ANMF members and the future of Nursing and Midwifery in the ACT.

Reflecting the values and work of our members, the ANMF is committed to the provision of healthcare as a public good, with shared benefits and shared responsibilities. The ANMF considers that access to appropriate healthcare is the right of every Australian and an important social obligation each Australian government is bound to facilitate as effectively and extensively as possible.

Background to Health Funding Arrangements

The ANMF understands health outlays consume approximately 10.3% of GDP in Australia and represent a significant proportion of Commonwealth and State and Territory expenditures.\(^1\) About 25% of total government spending is spent on healthcare, and over the last decade healthcare has been the fastest growing proportion of all government spending.\(^2\) As a result, healthcare is a major contributor to the Australian economy.\(^3\)

While the main areas of Commonwealth Government spending in healthcare are in areas of medical services (77.8%) and the Pharmaceutical Benefits Scheme (84.5%), the States and Territories are the largest contributors to such areas as public and community health services, including public hospitals (70.9%) and patient transport services (68.6%).\(^4\) This means the States and Territories often perform the central role in providing primary care to Australians. Consequently, this imposes a major burden on State and Territory budgets. As the Inquiry is already aware, as of 2017-2018, the ACT Government’s expenditure on healthcare has now reached $1.63 billion per annum, or 31% of the ACT Budget—the largest proportion of expenditure compared to any other output.

The ANMF recognises there are considerable legislative and financial limitations on what the ACT Government can do to address current and emerging issues in Health Funding in the ACT region. As the Productivity Commission noted in their 2015 *Efficiency in Health* Research Paper, “there is no ‘quick fix’ under current institutional and funding arrangements” and options will need to be canvassed in detail as part of a comprehensive review of the healthcare system.\(^5\)

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\(^3\) Ibid, 51.


However, the ANMF considers there is still significant scope for the ACT Government at a local level to prepare itself for the future and to institute long-term policies which will assist in keeping down healthcare costs while continuing to provide high quality and safe healthcare for the ACT population.

**Recommendations**

1. That the Committee recommend that the ACT Government establish a Health Workforce Reform Implementation Taskforce, to assess how to better utilise Nursing and Midwifery workers in the ACT Healthcare system, with a focus on cost-effective, high quality healthcare.

The ANMF considers any serious attempt to manage future healthcare costs should focus on more effective, targeted funding of existing health funding. Fortunately, the ACT Government as a public health service-provider is well-placed to reduce inefficiencies/boost efficiencies and realise considerable savings.

The ANMF recommends the ACT Government explore possible efficiencies by reassessing how the education and skills of ACT’s world-class Nurses and Midwives could be better, or further, utilised.

The Productivity Commission’s 2015 *Efficiency in Health Report* outlined the following benefits that could potentially arise if the scope of practice for certain health professionals, such as Nurses and Midwives, were appropriately expanded, including:  

- Improved timeliness of care delivered to patients and greater access to care...leading to fewer costs from delays and possibly greater patient satisfaction;
- Increase job satisfaction for (and retention of) health care workers;
- Reduced costs of service delivery;
- Greater operational efficiencies for hospitals...; and
- Greater capacity to respond to changes in demand for health services.

However, current regulatory frameworks have not kept pace with new and developing roles in the healthcare workforce. As a report from the Consumers Health Forum of Australia notes, the Australian healthcare system too often relies on medical practitioners to perform healthcare, such as routine immunisation, that could be performed by Nurses. Further, trends such as the move to a university-based education and increased interaction with health-based information technologies has provided a strong educational basis allowing Nurses and Midwives to take on more complex roles and tasks.

For instance, a number of studies and research papers have concluded that Nurses operating under the appropriate education policy and regulatory framework are able to:

- Perform endoscopies;
- Perform sedation procedures;

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6 Productivity Commission, above n°5, 46.


9 Stephen Duckett and Sharon Wilcox, above n°2, 116.


• Administer vaccines;\textsuperscript{12}  
• Monitor blood pressure;\textsuperscript{13}  
• Conduct tests for diabetes;\textsuperscript{14}  
• Issue medical certificates and repeat prescriptions;\textsuperscript{15}  
• Care for minor injuries;\textsuperscript{16} and  
• Potentially undertake 25-70\% of tasks currently performed by General Practitioners.\textsuperscript{17}

In addition, in 2010, the Australian Government initiated changes to the Medicare Benefits Schedule and Pharmaceutical Benefits that allowed Nurse Practitioners and certain Midwives to provide a number of services that had previously been restricted to Medical Practitioners.\textsuperscript{18} These services included consultations and referrals, some forms of imaging, pathology tests and the prescription of certain medications.

The ANMF considers that expanding ACT Nurses’ and Midwives’ scopes of practice would assist in managing costs while enhancing the capacity of ACT residents to access safe, high quality care.

As such, the ANMF recommends that the ACT Government establish a Health Workforce Reform Implementation Taskforce, similar to the Taskforce established by the Victorian Government in 2010,\textsuperscript{19} to properly review and assess which health professionals should have their scope of practice expanded, to provide more cost-effective treatment and care.

2. That the Committee recommend that the ACT Government work collaboratively with the ANMF to introduce a mandatory minimum Nurse/Midwife-to-Patient Ratios framework in the ACT Public Service.

The ANMF continues to advocate for the ACT Government to invest in a Mandated Minimum Nurse/Midwife-to-Patient Ratios Framework to improve the quality and safety of care provided to Canberrans and reduce inefficiencies within the public healthcare sector.

Currently, many areas of the ACT public healthcare system rely upon the Nursing Hours per Patient Day (NHPPD) workload management tool. The ANMF has identified a number of issues with the existing NHPPD tool including:

a) NHPPD targets are out of date

Current NHPPD targets in the ACT Public Sector were developed in 2010 and no longer reflect changes to the type and acuity of patients on wards, changes to work practices, models of care and care environments.

b) NHPPD reporting is retrospective

Retrospective reporting arrangements do not allow for Nurses and Midwives to proactively manage workloads in real-time.

\textsuperscript{12} Productivity Commission, above n\textsuperscript{5}, 47.  
\textsuperscript{13} Ibid.  
\textsuperscript{14} Ibid.  
\textsuperscript{15} Ibid.  
\textsuperscript{16} M Sakr et al, ‘Care of Minor injuries by emergency nurse practitioners or junior doctors: a randomised controlled trial’ (1999) 354 The Lancet, 1323.  
c) NHPPD reports only detail staffing averages

This does not highlight specific days where staffing has been reported to be unsafe.

Healthcare by its very nature as a service is a highly labour-intensive sector of the economy. As health economists Stephen Duckett and Sharon Wilcox note, “in a very real sense, health workers define the very nature of healthcare\(^{20}\). Nurses comprise the largest health profession, accounting for almost a fifth of all health and social assistance industry employment\(^{21}\). If the ACT Government wishes to focus its health expenditure on providing cost-effective, high quality healthcare, then it should implement measures that directly invests in its workforce. A mandatory minimum Nurse/Midwife-to-Patient Ratios Framework would be a positive investment in the nurses employed by the ACT Public Sector, improving patient outcomes, reducing nursing staff turnover, decreasing waiting times and allowing ACT public health system nurses and midwives to provide high quality, safe healthcare.

As research into the impact of nurse:patient ratios implemented in general and surgical wards has demonstrated:

- Every extra patient per nurse, over four patients, is linked with a seven percent increase in the likelihood of that patient dying within 30 days of admission\(^{22}\);
- Every extra patient per nurse, over four patients, is linked with a seven per cent increase in the likelihood of failure to rescue\(^{23}\); and
- Every extra patient per nurse, over four patients, was directly linked to a 23 per cent increase in the likelihood of nurse burnout\(^{24}\).

Nurse burnout on its own is a significant cost to any healthcare system. A recent study calculated that it costs approximately $68,621 to replace every nurse that leaves the ACT public health system\(^{25}\) and that each ward had an annual nursing staff turnover rate of 14.5%\(^{26}\). By reducing the burnout rate of its nurses and hence it’s overall turnover rate, the ACT Government could make significant savings while also retaining and further developing the intellectual and institutional capital of its nursing workforce.

Another example of actual savings associated with the implementation of a Nurse/Midwife-to-Patient Ratios Framework could include reducing the costs associated with Hospital Acquired Complications, or HACs (a complication for which clinical risk mitigation strategies may reduce the risk of that complication occurring).\(^{27}\) Apart from increased lengths of stay and additional costs arising from treating HACs, it should be noted that the ACT Public Hospital system may also receive reduced funding for HACs.\(^{28}\) Given that many HACs are reflected in the research on the effects of Nurse staffing levels\(^{29}\) the ANMF is confident that, through the implementation of a mandatory minimum Nurse/Midwife-to-Patient Ratios framework, there would be a reduction in HACs, and a correlated mitigation of reduced funding or increased costs.

Therefore, the ANMF recommends that the ACT Government work collaboratively with the ANMF to introduce a Mandatory Minimum Nurse/Midwife-to-Patient Ratios framework.

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\(^{20}\) Stephen Duckett and Sharon Wilcox, above n\(^{2}\), 92.

\(^{21}\) Ibid.


\(^{23}\) Ibid.

\(^{24}\) Ibid, 1990.


\(^{26}\) Ibid, 356.


\(^{29}\) Australian Nursing and Midwifery Federation ACT, Ratios Save Lives (2018), 12-14.
3. That the Committee recommend that the ACT Government continues the development and expansion of Nurse-led Walk-in centres in the ACT, and further encourage their use to alleviate pressure from the ACT hospital system.

The ANMF is a strong supporter of the ACT Government’s Nurse-led Walk-in Centre initiative. The Nurse-led Walk-In Centres have the potential to transform how primary healthcare is delivered in the ACT, empowering Nurses to expand their scope of practice and perform more healthcare at reduced costs, making first-step healthcare more accessible for more Canberrans, and giving the ACT Government greater control over public health, preventative health and other health issues that are subsequently escalated into the local hospital system.

Primary healthcare is the bedrock of the Australian health care system. Under the current arrangement, the Commonwealth is at the forefront of most primary healthcare interactions: four out of five Australians will visit a General Practitioner in a year, while about 1% of the population will be hospitalised during that same year.

The Australian Institute of Health and Welfare estimates that over 8,100 (or 6%) of all hospital admissions in the ACT in 2015-2016 could have been avoided if ACT residents had accessed preventative health interventions from the Primary and Community health sectors beforehand. As the average hospitalisation costs $5000 compared with a community intervention which costs on average $300, the potential savings if more hospital admissions were redirected into the Primary and Community healthcare sectors are potentially significant.

The ACT Government cannot rely on GP Services on their own to alleviate costs in the hospital sector. While the funding arrangements for GP services results in the shifting of costs from States and Territories onto Federal taxpayers, there is clearly a gap in the healthcare GP services provide that is exacerbating costs in State and Territory-led hospitals. According to the Productivity Commission’s latest profile on primary and community health, the ACT has the highest rate of people deferring visits to a GP due to costs. Ultimately, while the Commonwealth covers a significant proportion of the costs of providing primary healthcare, the ACT Government must bear the costs alone for not providing primary healthcare.

As such, the ANMF is of the position that greater intervention by the ACT Government into the primary healthcare system, including through the expansion of Nurse-led walk-in-centres, would improve coordination between services, and effectively reduce costs for unnecessary hospitalisations and exacerbated conditions.

It should be noted that the ANMF is also aware that a systematic review of randomised controlled trails and prospective observation studies to determine whether Nurse Practitioners can provide care at first point of contact equivalent to doctors in a primary care setting resulted in findings of:

- Patients more satisfied with a Nurse Practitioner;
- No difference in health status;
- Longer consultations and more investigations by Nurse Practitioners compared to Doctors;
- No difference in prescriptions, return consultations or referrals; and

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30 Stephen Duckett and Sharon Wilcox, above n^2, 186.
31 Ibid, 376.
• Quality of care was in some ways better for Nurse Practitioner consultations.\textsuperscript{35}

For these reasons, the ANMF recommends that the ACT Government continues the expansion of the Nurse-led Walk-in centre model, and further encourages their use across the ACT region.

**Other Considerations**

**Population growth and demographic transitions in the ACT**

According to the ACT Government’s own population projections, the ACT population is expected to grow from 400,000 residents in 2017 to 500,000 by 2033. Moreover, it is predicted that by 2062 the percentage of the ACT population aged over 65 will reach 22.5\% from a proportion of 11\% of the ACT population as of 2012.\textsuperscript{36} Compared to the projections of the rest of the Australian population, the ACT’s situation is not significantly different, as an estimated 22\% of the overall national population will be 65 years or older by 2056.\textsuperscript{37}

However, while it has been found that ageing does have a small positive effect on per capita health expenditures, its ultimate effect is moderate.\textsuperscript{38} One factor that should be considered is that while most Australians are living longer, so are the years of good health that they enjoy. Between 1998 to 2012, the Australian Institute of Health and Wellbeing estimated that while the life expectancy of males increased by four years, the number of years spent living without a disability increased by 4.4 years.\textsuperscript{39} This trend suggests that even while the population ages, they are also pushing back the years of their lives when healthcare services become more vital to their well-being.

A much more reliable predictor of how much cost a citizen may accrue in a healthcare system is how close they are to death, with many studies concluding that health expenditure generally peaks in the last few months of life.\textsuperscript{40} Hence, it follows that living longer does not necessarily put a strain on the healthcare system but merely delays the point of time before death when a person’s reliance on the healthcare system peaks. Consequently, a study conducted by health economist Dr Claudia Geue into future projections of expenditure in the Scottish health system found that projections based upon time-to-death produced lower estimates of future costs than projections based on age.\textsuperscript{41}

Irrespective of how the impact of an ageing population on the ACT’s healthcare system should be measured, as the 2015 Intergenerational Report: Australia in 2055 noted, the impact is likely to be relatively small in comparison with non-demographic factors, with the Report estimating that an ageing population will only contribute around 10\% of the projected increase in real expenditure per person, while non-demographic factors are estimated to contribute to over 80\% of the projected increase in real expenditure per person.\textsuperscript{42}

\textsuperscript{35} Sue Horrocks, ‘Systematic review of whether nurse practitioners working in primary care can provide equivalent care to doctors’ (2002), 324 BMJ, 819.


\textsuperscript{40} Stephen Duckett and Sharon Wilcox, above n\textsuperscript{2}, 58.


\textsuperscript{42} Department of Treasury (Cth), 2015 Intergenerational Report (2015), 61-62.
In response to the evidence both available and reviewed for the purposes of this submission, the ANMF would advise the Committee to seek further information on the effects of population growth and ageing on Healthcare costs.

Technological advancement and health innovation

Though new healthcare technologies are often trumpeted as a solution to rising pressures on health costs, in reality, the increased use of technologies is often associated with higher healthcare spending.43 This may suggest that healthcare technologies, while improving outcomes, seldom cut costs through productivity gains.44

As the 2015 Intergenerational Report: Australia in 2055 noted, technological change can have a significant impact on both the price of, and demand for, health services, with some new treatments often being more expensive, even as they offer better outcomes, while other new technologies may make treatment more accessible and hence increase demand for services45.

Again, in response to the evidence both available and reviewed for the purposes of this submission, the ANMF would advise the Committee to seek further information on whether many new technologies can, in fact, mitigate rising health expenditure.

Summary

Though there are limitations on what the ACT Government can do to mitigate costs under current arrangements between the Commonwealth and the States and Territories, there is scope for the ACT Government to introduce practical policy reforms to assist in mitigating future funding costs. The ANMF urges the Committee to endorse our proposed recommendations:

1. That the Committee recommend that the ACT Government establish a Health Workforce Reform Implementation Taskforce, to assess how to better utilise Nursing and Midwifery workers in the ACT Healthcare system, with a focus on cost-effective, high quality healthcare.

2. That the Committee recommend that the ACT Government work collaboratively with the ANMF to introduce a mandatory minimum Nurse/Midwife-to-Patient Ratios framework.

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44 Stephen Duckett and Sharon Wilcox, above n2, 54.
45 Department of Treasury, above n40, 61.
Mr Matthew Daniel  
ANMF Branch Secretary  
Ph: 02 6282 9455  
Email: anmfact@anmfact.org.au

Mr Tom Cullen  
ANMF Senior Industrial Officer  
Ph: 02 6282 9455  
Email: anmfact@anmfact.org.au

References

Books and Articles


Dogget, Jennifer, *Empty Pockets: Why Co-Payments are not the solution report*, Consumers Health Forum of Australia


Horrocks, Sue, ‘Systematic review of whether nurse practitioners working in primary care can provide equivalent care to doctors’ (2002), 324 *BMJ*, 819-823.


Reports and Papers


Australian Nursing and Midwifery Federation ACT, Ratios Save Lives (2018), 1-16.


Websites


This submission is authorised by ANMF ACT Branch Secretary, Matthew Daniel

The ANMF thanks the Committee for the opportunity to make this submission and acknowledges the work of Mr Michael Quincey O’Neill (Assistant Industrial Officer, ANMF ACT) in the preparation of this submission.