

REGIONAL IMPACT ASSESSMENT STATEMENT

creating opportunity



Government of South Australia
Department of Trade and Economic
Development

Department: Health

1.	Title	Health Care Bill 2007
2.	Issues	<p>The Health Care Bill makes changes to the governance arrangements for the public health system with the key aim of providing South Australia with a more integrated system.</p> <p>In its principles, it recognises the need to support services having a greater health promotion focus and greater engagement of the community and volunteers. These are of particular relevance to the country region which often have a strong sense of community and strong involvement of volunteers.</p> <p>It has a specific principle regarding the need for the planning and provision of health services to take into account the situation and needs of people living and working in the regional areas of the State, including supporting health professionals who provide these services.</p> <p>The most significant changes for country governance are that:</p> <ol style="list-style-type: none"> 1. Country Health SA will be the incorporated hospital responsible for the delivery of health services to all country hospitals currently incorporated under the <i>South Australian Health Commission Act 1976</i>, and all country hospitals will become sites of Country Health SA Inc; and 2. Local country hospital boards will be replaced by Health Advisory Councils (HAC) that will perform a range of advisory and advocacy functions, and may hold assets (depending on their status). <p>When the Bill was released for consultation, two options were provided for the treatment of assets currently held by individual country hospitals. Under the first option, drafted as Part 4 to the Bill, a mix of incorporated and unincorporated Health Advisory Councils are established, with the intention of enabling those boards who wish to maintain control of assets they currently hold to become incorporated HACs. Any HAC that did not wish to or need to hold assets will be unincorporated.</p> <p>Based on views provided through the consultation process, this option has now been formally adopted in the Bill.</p> <p>Under the second option that was provided for consultation, a single authority called the Country Health Community Assets was to be established. This body would hold all assets</p>

		<p>currently held by country hospital boards. Under this model, the current hospital boards would have become unincorporated HACs and would not hold assets but would have maintained a range of advocacy and advisory functions.</p> <p>A further issue related to the Bill is how residential aged care places would be treated under the proposed governance arrangements. With the creation of the Country Health SA Hospital Inc the Commonwealth Department of Health and Ageing has indicated that it will consider this hospital to be the approved provider with whom it signs any agreements. It currently has agreements with the individual hospital boards.</p> <p>Accommodation bonds for residential aged care places would then be paid to the CHSA Hospital Inc and this body would be responsible for their management. This may create concerns for the existing local boards and the proposed HACs regarding the management and use of bonds, and interest and surpluses resulting from bonds. CHSA will ensure that there are agreements in place to ensure that the bonds and any interest or surpluses are managed for the benefit of the local HAC that is providing the service.</p> <p>The Bill makes the South Australian Ambulance Service (SAAS) part of the Department but maintains it as a separate incorporated identity. It allows for the continuation of the functions of Country Ambulance Advisory Committee as a Health Advisory Council. The Bill ensures the Royal Flying Doctor Service, hospital retrieval teams and the State Rescue Helicopter can continue to provide their services by providing exemption powers to the Minister regarding licensing provisions for emergency ambulance services not provided by SAAS. This also applies to the existing ambulance services in the country region that are not part of SAAS. These are ambulance services located at Peterborough, Jamestown and Booleroo Centre. There will be no change to their status, staffing or level of service and they remain free to elect to become part of SAAS at any time.</p>
3.	Region	Non-metropolitan South Australia.
4.	Stakeholders	Local hospital boards and community, staff, Country Health SA Board, SAAS, Ambulance volunteers, member of Parliament, professional associations.
5.	Consulted	Country hospital boards and the community, staff, Country Health SA, SAAS, Ambulance Volunteers, Aboriginal Health Council, Chair, Regional Communities Consultative Council

<p>6.</p>	<p>Consultations</p>	<p>Extensive consultation occurred on the draft Bill. Public release of the Health Care Bill 2007 occurred through a series of metropolitan and media placements in local country papers and press releases. In addition, letters seeking comment on the draft Bill were sent to country hospitals boards, MPs, private and public hospitals, government departments, divisions of general practice and other professional associations.</p> <p>The draft Bill, explanatory notes, and frequently asked questions were made available on Department's website. A presentation was provided to country hospital boards and executive staff (approximately 150 people) and this was followed up by a further presentation addressing issues raised during the consultation period. In addition, presentations and/or meetings were held with the Aboriginal Health Council of SA, IMVS, Ambulance Employee Association, AMA, SAAS and a Country Health focus group. Local country hospital boards consulted with their communities.</p> <p>In excess of 100 written submissions were received from a diverse group of people/organisations including from hospital boards, community members, regional local government councils, Aboriginal Health Council and other special interest groups.</p>
<p>7.</p>	<p>Summary of impacts and Analysis</p>	<p>The Bill anticipates a positive impact on regional South Australia by ensuring that the planning and delivery of health services take account of the needs of this region, recognising volunteers and the need to engage with the community.</p> <p>The Health Performance Council (an independent body established by the Bill advising the Minister and reporting to Parliament) will report on the health outcomes and will need to examine how the Department is achieving the objectives and putting into practice the principles in the Act.</p> <p>The Minister has undertaken to include in the regulations a list of those organisations who must be consulted in relation to the HPC membership.</p>

<p>7.1. Economic factors</p>		<p>Local boards manage the incorporated health centres and hospitals. Many own the local assets and are responsible for the financial management of the hospital and any trusts or bequests associated with them. They provide advice to Country Health SA and the Minister on the health needs and service planning in their area. They are also responsible for fundraising and appointment of staff. Staff are employed by the local hospitals and contribute to the local economy and community.</p> <p>Key issues are:</p> <ul style="list-style-type: none"> • The Department of Health has contributed very significantly over the years to the assets and maintenance of these, well beyond what a local community would be capable of funding. • Consistency in the quality and management of services to provide for effective planning and delivery of services meeting changing population needs and resource requirements. • These issues and those facing the health system more generally, particularly an ageing population and workforce recruitment and retention make meeting local community's health needs increasingly difficult. Better control over the allocation and management of health resources is needed to address these challenges <p>The changed governance arrangements will transfer the assets to the Health Advisory Councils (HACs) which will be incorporated bodies. The HACs will continue their advisory function to Country Health SA and be involved in the process for selecting senior staff. As per the <i>Statutes Amendment (Public Sector Employment) Act 2006</i> staff will be employed under the proposed Health Care Act by the Chief Executive of the Department of Health as the employing authority and be assigned to a particular site. This is consistent with the employment arrangements proposed under the Bill for the metropolitan region. Continuity of employment and conditions will be maintained so there is no impact expected at the community level. Fringe benefit tax entitlements under the <i>Fringe Benefits Tax Assessment Act 1986</i> for staff will remain.</p> <p>The Bill changes the governance structure for the public health system. It does not regulate the level or type of health services offered.</p> <p>No impact on local business, investment, employment or the local economy is expected.</p>
<p>7.2. Social Factors</p>		<p>Access to the local health services and level of services will not be impacted as a result of the Health Care Bill 2007. However, the improved capacity of Country Health SA to manage resources and provide better coordinated health services along with the proposed objectives and principles of the Bill will overall benefit the regional communities as well as the metropolitan regions.</p>

7.3.	Environmental factors	No environmental impacts are anticipated as a result of the Health Care Bill 2007.
8.	Solutions	<p>There was overall support for the intent and provisions in the Bill. The main concern arising from the country region during the consultations was that the assets remain in the hands of the local community. This model (option 1 above) has therefore been drafted for Part 4 of the Bill.</p> <p>There were also concerns about the ability of the Minister to transfer assets or dissolve a HAC. The Bill therefore has provisions that the Minister for Health must follow should there be a need to transfer any assets or abolish a HAC. Central to this is the need to consult with the HAC and the local community and work towards agreement before any actions are taken. The Bill provides for a process to be followed, including a requirement for mediation, where an agreement is not reached. The Minister has stated his intention to place into the regulations the criteria which must be met before actions such as transferring assets or dissolving a HAC can be considered.</p> <p>There will be formal agreements between an individual HAC and CHSA regarding Commonwealth funded residential aged care places. CHSA will ensure that accommodation bonds can be separately identified as they relate to that HAC. The management and interest from these bonds will be used for the benefit of the particular HAC through which the service is provided. To ensure transparency, a copy of the agreement between CHSA and the Commonwealth will also be attached.</p>
9.	Coordination	The governance changes do not impact on other agencies except DTEI where changes to the traffic rules may be required as a result of to the licensing requirements for non-emergency ambulance providers which may operate in parts of the country region. These changes will clarify rights to have and use lights and sirens.
10.	Preferred option	The option presented in the Bill is for local Health Advisory Councils to be established as incorporated bodies to replace the local hospital board and hold the assets of the hospital. This option was the one preferred by the country communities and boards and therefore more likely to be supported.
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