

Small Rural Health Services

Introduction of New Funding and Accountability Approach 2003-04

Questions and Answers

Last Updated 14 May 2003

1. What is the new approach aiming to achieve in its first year?

The new funding and accountability approach aims to facilitate greater flexibility in how agencies use health and aged care funds, so that the most appropriate mix of services can be provided to local communities.

The main benefits in the first year will be:

- Greater focus on planning the mix of services to address local needs.
- Changes to the nature of agency-region-central office discussions about funding and service mix.
- Increased flexibility in the use of funds across the acute and primary health programs in particular.

In addition, in the first year the department and agencies will develop new ideas and identify opportunities for taking the approach further at a statewide and/or individual agency level in future years.

2. How does the new funding and accountability approach link to work done under the Victorian Rural Human Services Strategy (VRHSS)?

The new approach complements the VRHSS's service planning and resource distribution approaches and principles.

3. What is the timeframe for implementing the new approach?

The new approach will be implemented incrementally over a two to three year period, with the first set of changes to be introduced, tested and monitored in 2003-04. Adjustments and further development are planned for 2004-05 and beyond.

4. On what basis were agencies chosen for inclusion in the first year of implementation?

Agencies included in the first year are those that deliver a range of health and aged care services and have all campuses/service delivery sites located in towns with a population of less than 5000. The agencies that fall into this category

are primarily Group D & E Hospitals (including Multi-Purpose Services and Healthstreams) and Bush Nursing Centres, plus a small number of stand-alone Community Health Services.

5. How will agencies be kept informed about the new approach?

In April 2003, DHS Regional Directors wrote to all agencies in scope for the new approach informing them of its aims and objectives. In May, information sessions are being conducted by central and regional DHS staff.

Brief information will be provided in the RRHACS Policy and Funding Plan 2003-04 to 2005-06, with further details to be contained in a special Small Rural Health Services Guide to be issued in June 2003.

This question and answer document is being developed for the Web as one means to provide updates during 2003-04.

6. Which funding streams are covered by the new flexible arrangements?

The new approach covers health and aged care funding agencies receive through the department's RRHACS and MHACS Divisions: Primary Health, Acute Health, Aged Care including HACC and Drugs Services. The inclusion of any Mental Health and Public Health funds will be assessed on a case-by-case basis.

In the first year, flexibility will primarily be available across acute health, sub-acute health and primary health funds. Agencies will determine any changes to their service mix in these areas in discussion with DHS regions. More information on the extent of flexibility will be provided in the SRHS Guide.

7. How will we be expected to report? Will there be any additional reporting requirements?

There will be no additional reporting requirements. While the number of performance measures contained in service agreements will be limited to two in 2003-04, agencies will be expected to report actual service delivery activity

in line with their usual program reporting requirements and systems.

In the course of 2003-04, it is intended to develop and pilot some streamlined reporting arrangements with a small number of agencies and then to consider the application of these arrangements to other agencies in 2004-05 and beyond.

8. What about agencies not included in the new approach?

Agencies not in scope will continue to operate in accordance with relevant program policy and funding guidelines. It is envisaged that in 2004-2005 and subsequent years, there may be changes to the agencies (or perhaps campuses of agencies) included in scope.

Where other agencies are exploring flexible funding options, they should continue to do so in consultation with the department, but only proceed with changes following DHS senior management approval.

9. In the long term, does DHS expect to initiate legislative change to agency status?

No, this is not a goal of the new approach.

10. How does the project link with DHS's 3 Year Policy and Funding Plan, and 3 Year Service Agreements?

The timing of information sessions and publication of documents is aligned with the 3 Year Service Agreement schedule. The RRHACS Policy and Funding Plan will indicate that this is a development project that may lead to further changes in funding and accountability arrangements over the 3 year period.