

Reconciling the 2018 State Budget - Health Expenditure and Investments

This synopsis of the Victorian State Government's 2018 Budget reconciles funding announcements and more detailed information for Health Expenditure and Investments. The source data includes budget initiative announcements, releases, Department of Treasury and Finance's (DTF) Budget Paper No. 3 and output performance spreadsheet tables.

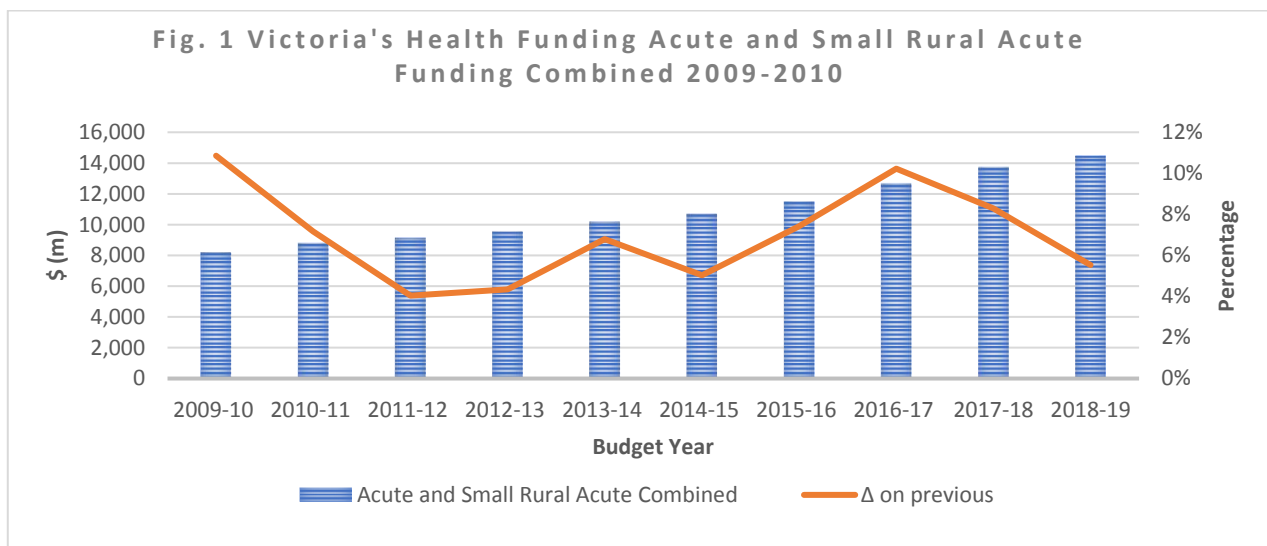
Funding for Acute / Sub-acute Health Services.

Services Outputs.

Acute health funding continues to increase. Figure 1 shows combined acute health funding from the Department of Health and Human Services (DHHS) Output Performance Measures from 2009 to 2019 for Victoria including:

- *Admitted Services and Non-admitted Services* - Acute and sub-acute services at Victorian metropolitan and rural public hospitals.
- *Emergency Services* - Emergency presentations at reporting hospitals with emergency departments.
- *Acute Training and Development* - Grants to hospitals for the training and accreditation of health workers.
- *Small Rural Services Acute Health*- Admitted and non-admitted services, including elective and non-elective surgical and medical care, accident and emergency services, and maternity services.

The long-term funding data represented in Figure 1 is for actual funding, with 2017-18 showing the expected outcome and 2018-19 showing the target. The 2018-19 target of \$14,476.10mi represents a \$758.5mi (5.53%) increase on the expected 2017-18 outcome of \$13,717.60mi and just over one billion dollars (\$1,007.4mi or 7.48%) increase on the original 2017-18 target of \$13,468.7mi.



Contained within the growth of overall acute funding outputs for admitted and non - admitted care are the following initiatives:

- \$1,631.7mi over four years for 'Meeting hospital services demand'.
- \$362.2mi over four years for 'Improving access to elective surgery'.
- \$58.5 million over four years for increased numbers of paramedics (including \$3.3mi in 2018-19 for equipment).
- \$25mi over four years for the 'Better Care Victoria Innovation Fund'.
- \$6.5mi over four years for 'Responding to people's end of life care choices'.
- \$2.1mi funding in 2018-19 for 'Improving access to the Victorian Patient Transport Assistance Scheme'.

These 2018-19 output component of these initiatives total \$792.9mi and can be accounted for in the year on year growth data above. The four years forward estimate amounts, excluding the ambulance equipment, total \$2082.6mi and satisfy the claim in the Health Minister's Budget release, *Quality care for every Victorian patient that 'The Victorian Budget 2018/19 will provide \$2.1 billion...'*

The growth in Acute Care funding delivers no additional early graduate medical positions with the target for 2018-19 to remain the same as 2017-18 at 1,525 Full Time Equivalent (FTE) positions in the public system. This number of FTE early graduate medical positions represents a 6.5% over the four-year term of the current State Government when compared to 1,432 positions in 2014-15.

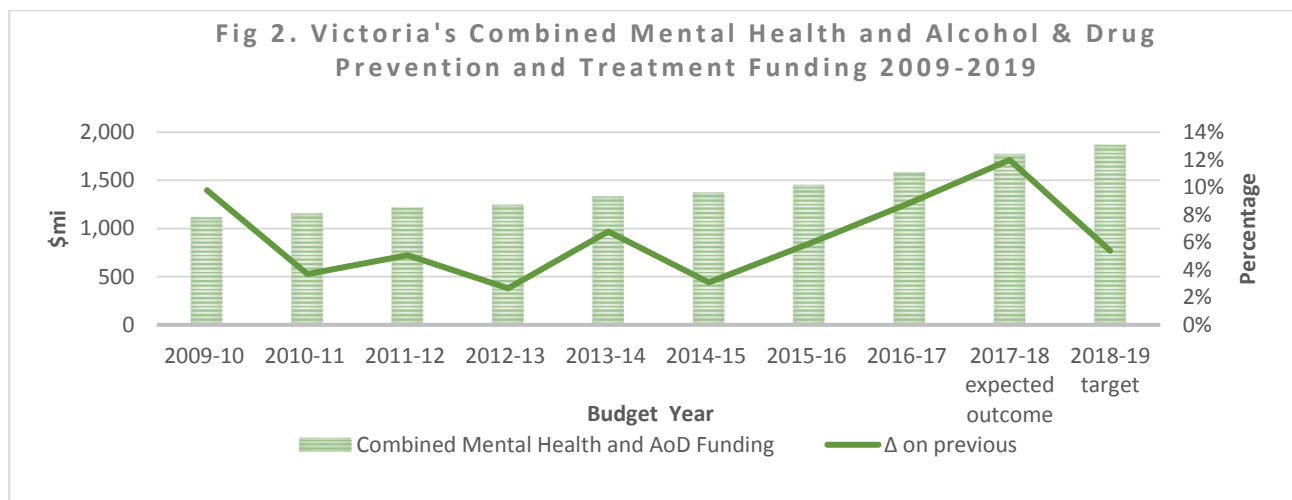
Asset initiatives – Acute Health

In its announced infrastructure initiatives, "*Building Better Hospitals for Better Healthcare*", the Victorian Government states that \$1.2bi of new investment for 'hospital upgrades and equipment' is being funded. AMA Victoria have reconciled each of the announced initiatives to the financial data in Budget Paper No.3 noting the period over which these expenditures are distributed, as follows:

- \$461.6mi over four years for Ballarat Base Hospital redevelopment.
- \$396mi over four years to build the standalone Heart Hospital.
- \$115mi over four years for Wonthaggi Hospital expansion.
- \$72mi single year funding for key technology and medical equipment.
- \$69.5mi over four years for Alfred Hospital fire safety compliance upgrade works.
- \$50mi single year additional funding for Regional Health Infrastructure Fund.
- \$29.6mi to update Sunshine Hospital's emergency department.
- Land purchase for the new Footscray Hospital – *amount not available*.

These outlays total \$1199.5mi and together with an additional \$123.8 over three years for an electronic medical records rollout at the Parkville Precinct hospitals brings the total asset outlay to \$1323.3mi over four years.

Funding for Mental Health and Alcohol & Drug Services



Mental Health and Alcohol & Drug funding continues to increase. Figure 1 shows combined Mental Health and Alcohol & Drug Prevention and Treatment Funding from the DHHS Output Performance Measures from 2009 to 2019 for Victoria including:

- Drug Prevention and Control - programs and services aimed at reducing death, disease and social harm caused by the use and misuse of licit and illicit drugs including harm minimisation programs.
- Drug Treatment and Rehabilitation - the provision of community based non-residential and residential treatment services, education and training, and support services.
- Mental Health Clinical Care - a range of inpatient, community-based residential and ambulatory services for people with a mental illness.
- Mental Health Community Support Services (MHCSS) - Rehabilitation and support services for youth and adults with a psychiatric disability, to aid recovery and reintegration into the community.

The long-term funding data represented in Figure 2 is for actual funding, with 2017-18 showing the expected outcome and 2018-19 showing the target. The 2018-19 target of \$1,865.6mi represents a \$95.4mi (5.39%) increase on the expected 2017-18 outcome of \$1,770.2mi and \$146.6mi (8.53%) increase on the original 2017-18 target of \$1,719.0mi. The overall increase incorporates a \$22.9mi *reduction* in MHCS funding, as this is transitioned to the National Disability Insurance Scheme.

The output initiatives for Mental Health in this year's state budget, totalling \$587.8mi include:

- \$232.5mi over four years for 'Meeting clinical services demand', funding 89 new and existing acute inpatient beds and increasing treatment hours in community-based services.
- \$344.8mi over four years for 'Reforming clinical mental health services'.
- \$6.7mi over four years to operate the new Grampians residential alcohol and drug rehabilitation facility.
- \$6.4mi over four years for a 'Perinatal package' to continue the prevention and early detection of perinatal depression for new mothers.
- \$4 mi over four years to continue funding for 'Aboriginal Maternal and Child Health'.
- \$0.1mi funding in 2018-19 for a suicide prevention training and capability program.

The asset initiatives totalling \$117.3mi include:

- \$48.1mi over four years for 'Reforming clinical mental health services'.
- \$40.6mi over three years for 3 new 30-bed regional alcohol and drug residential rehabilitation facilities in Barwon, Gippsland and Hume.
- \$11.9mi over three years for a 'Youth Prevention and Recovery Care (PARC) Service' 20-bed residential facility.
- \$10mi in 2018-19 for 'Mental health and alcohol and drug facilities renewal / upgrades'.

The above package of \$705.1mi funding for outputs and assets that AMA Victoria has identified in Budget Paper No. 3 equates to the announced initiative by Minister Foley and Premier Andrews of \$705mi. Announced initiatives to be noted, and not already specified above, which form part of the above outputs include:

- \$32.5mi to prevent occupational violence in the mental health workforce.
- \$100.5mi for six emergency department crisis hubs for people with urgent mental health, alcohol and drug issues.
- \$153.8mi for intensive community mental health services and support for high-need mental health clients.
- \$58.9 mi to expand the Mental Health and Complex Needs Initiative (MHCNI) for people experiencing a mental health crisis. A Compulsory Treatment Scheme for adults with complex needs that pose safety risks to others, will also be established and include a new treatment facility.
- \$28.6mi to boost support in existing Preventative and Residential Care units (PARCs).
- \$18.7 to support the development of six new Hospital Outreach Post-Suicidal Engagement sites.

Other health initiatives

Other DHHS Public Health and Department of Education and Training funding initiatives include:

- \$6.1mi in 2018-19 for free influenza vaccines for Victorian children aged six months to five years and to run campaign to increase vaccination rates.
- \$5.5mi in 2018-19 for a 'Healthy Heart and Prevention Lab' in the Loddon Campaspe region to reduce the incidence of preventable disease and to improve eating habits and physical activity levels of families in the Central Highlands region.
- \$0.7mi in 2018-19 for Meningococcal ACWY vaccines to be offered to all year 10 students, and 15 year-olds not in school, during the 2018 school year and to support local government strategies for increasing uptake.
- \$26.5mi funding over 4 years for the Department of Education and Training's Doctors in Secondary Schools Program.