



**SACOSS Submission to the  
Review of Non Hospital Health Services by Warren McCann**

February 2013

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ISBN 978-1-921982-23-1

Published by the  
South Australian Council of Social Service

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## Contents

<b>Executive Summary</b> .....	<b>iii</b>
<b>Introduction</b> .....	<b>1</b>
<b>SACOSS Concerns</b> .....	<b>1</b>
<i>Overarching and Methodological Concerns</i> .....	1
Social Determinants of Health .....	1
Gaps in Service to Vulnerable South Australian Populations .....	2
Evaluation Methodology .....	2
Expectations on Medicare Locals .....	3
<i>Specific Program Area Objections</i> .....	3
Youth Primary Health Services .....	3
Health Promotion Services .....	4
Women’s Primary Health Services .....	5
Aboriginal Workforce Initiative .....	5
Efficiency dividend.....	6
<b>Conclusion</b> .....	<b>6</b>
<b>References</b> .....	<b>7</b>

## Executive Summary

While SACOSS recognises the importance of review and evaluation of all programs, including those in community and preventative health, it has major concerns with the overall direction, methodology, findings and recommendations of the McCann Review; as well as particular concerns about recommendations in relation to specific program areas.

There are four key concerns and objections to the overall approach in the McCann Review:

1. It ignores the current evidence and thinking regarding the Social Determinants of Health and is at odds with the findings of the Generational Health Review in 2003 that investment in preventative community health is essential.
2. Many of the proposed cuts to funding are for services provided to vulnerable members of the community and there is no transparent plan as to how these gaps in services will be addressed.
3. The evaluation methodology used in the review is inappropriate, reflecting a medical model of health and a lack of understanding of population and community health measures.
4. It places undue responsibility on the newly formed Medicare Locals and there is a lack of transparency as to how services will be transitioned to Commonwealth funding, which is likely to result in gaps in services to vulnerable populations.

In addition to these overarching concerns, there are particular concerns around the proposed cuts and restructuring of youth and women's primary health services; the cutting of health promotion services; and the reduction in funding for the Aboriginal workforce initiative. Furthermore, the proposed increased 'efficiency dividend' to be applied to all other programs not reviewed by McCann is a serious cut not justified on any health grounds.

The cumulative effect of these concerns is that SACOSS does not believe that the McCann Review provides an adequate public policy framework or basis for making decisions about vital non-hospital health services in South Australia.

## Introduction

SACOSS welcomes the opportunity to provide a submission to SA Health on the *Review of Non-Hospital Based Services* by Warren McCann (the “McCann Review”).

As the peak non-government representative body for the health and community services sector in South Australia, SACOSS believes in justice, opportunity and shared wealth for all South Australians, and has a strong membership base representing a broad range of interests in the social services arena. Our core activities include analysing social policy and advocating on behalf of vulnerable and disadvantaged South Australians; providing independent information and commentary; and assisting the ongoing development of the health and community services sector.

SACOSS has a strong interest in community health and seeks the eradication of health status inequities across all population groups, and recognises that the poorest people in our community are also the unhealthiest. Accordingly, SACOSS adopts a framework of social determinants of health as our starting point for tackling health inequities and therefore believe that the focus on health services provision has to move from tertiary to primary health care.

SACOSS has read the McCann Review and in developing this submission has consulted with member groups and key organisations with an interest in public health policy including the Health Consumers Alliance, Australian Health Promotion Association, Public Health Association of Australia, Medicare Locals, Australian Nursing and Midwifery Federation, Council on the Ageing, Aboriginal Health Council of South Australia, Youth Affairs Council of South Australia, as well as the Southgate Institute and South Australian Consumer Health Research Unit at Flinders University. It is understood that many of these organisations will be putting in their own submissions on the McCann Review, but this submission draws on their experience and expertise as well as SACOSS’ own principles and policy knowledge.

## SACOSS Concerns

While the importance of review and evaluation of all programs is recognised, including those in community and preventative health, SACOSS has major concerns with the overall direction, methodology, findings and recommendations of the McCann Review; as well as particular concerns with recommendations in relation to specific program areas. These concerns are outlined below, but the cumulative effect of these concerns is that SACOSS does not believe that the review provides an adequate public policy framework or basis for making decisions about vital non-hospital health services in South Australia.

### Overarching and Methodological Concerns

#### Social Determinants of Health

The Generational Health Review (Menadue, 2003) recommended the health system focus on health promotion, illness prevention and early intervention in order to prevent the escalation of health care costs. This was reinforced in the Primary Prevention Plan (2011-2016) which noted the importance of “evidence informed strategies” and reiterated the state’s commitment to preventing ill-health and promoting a healthy population.

A recent paper commissioned by Catholic Health Australia titled *the Cost of Inaction on the Social Determinants of Health* (2012), reinforced the focus on primary health care and concluded that the costs of government inaction on the social determinants of health in Australia are substantial.

Research from around the world has consistently shown that the poor are more likely to suffer ill health than well off members of society. Data from the World Health Organisation also suggests that in Australia, behaviours that pose a risk to health such as smoking and obesity are increasing, particularly among lower socio economic groups. Marmot describes reducing health inequalities as a matter of “social inclusion, fairness and social justice” (Marmot et al 2010). The McCann Review does not take equity into account. SACOSS believes this is a fundamental component of health policy and research.

In recommending cuts to primary health care and early intervention and preventative programs, the McCann Review is at odds with recent international evidence which calls to revitalise primary health care and action on the Social Determinants of Health (Commission on the Social Determinants of Health, 2008; Marmot et al, 2010). SACOSS believes that adopting McCann’s recommendations would be in effect to ignore the current evidence and thinking regarding the Social Determinants of Health and the findings of the Generational Health Review in 2003. Adopting McCann’s recommendations would ignore the state’s responsibility in preventive care as laid out in the still relevant Primary Prevention Plan 2011-2016.

### **Gaps in service to vulnerable South Australian populations**

Many of the proposed cuts to funding are for services provided to vulnerable members of the community including disadvantaged women, youth and Aboriginal people. This is a concern in itself, and the concern is heightened because the McCann Review does not outline adequate and transparent transition plans for cuts to services.

Several recommendations involve restructuring services and give no consideration to equitable access to services or individuals’ right to choice of services. It is disappointing to note that no consultation with service users and key stakeholders took place in developing the recommendations. Yet again SACOSS finds itself responding to a document developed in a distant and non-transparent process, rather than through a collaborative process with the sector. This consultation/collaboration is essential to ensure that vulnerable people are not left without access to the services they require.

### **Evaluation Methodology**

SACOSS is aware that the South Australian Community Health Research Unit (SACRHU) from Flinders University has undertaken a more detailed analysis of the evaluation methodology and supports its critique. Essentially, the evaluation methodology is based on a medical model of health, and is inappropriate for reviewing public health and health promotion. The evaluation criteria do not take into account the latest research with regards to addressing the social determinants of health discussed above. The use of inappropriate methodology and lack of reference to the latest evidence reveals a lack of knowledge and understanding of population health measures and does not provide a sound basis for public policy in this area.

SACOSS also notes the lack of transparency in the evaluation criteria, given that there are no references, lists of documents reviewed, or any use of international academic evidence.

### **Expectations on Medicare Locals**

The McCann Review acknowledges that the State will continue to be responsible for providing “a range of community health services that provide primary health care including health promotion services and services that help maintain community health and wellbeing” (p 6), yet the recommendations, particularly the recommendation to cease all funding to health promotion services, suggest otherwise.

In the 2010 National Health and Hospital Network Agreement there was an original transfer of full funding and policy responsibility to the Commonwealth for all GP and primary health care services. However, SACOSS notes that the clauses transferring responsibility were then *excluded* from the 2011 National Health Reform Agreement, which was signed by the South Australian government. This is evident again in the 2012 National Health Care Agreement which states under clause 27(g) that the states and territories will provide public health, community health and health promotion programs (p A-8). Based on this information SACOSS understands that the Commonwealth has *not* taken full responsibility for primary health care and SA Health therefore *has a responsibility to ensure that adequate primary health care is provided within South Australia*.

Furthermore, the Implementation Plan on page 62 of the 2011 National Health Reform Agreement identifies that Commonwealth funding for public health activities to states will be considered in the next review in 2015. Given the McCann Review recommends that many of the cuts to services take place at the end of the 2012/13 financial year, a large gap (minimum 18 months) in service delivery would occur.

SACOSS met with the South Australian Medicare Local CEOs who expressed disappointment that they had not been consulted in the review process. SACOSS understands that the Medicare Locals are recently established, still developing their work plans and do not have either the working or financial capacity to assume the responsibilities as recommended by McCann.

Again, SACOSS is disappointed in the lack of consultation with Medicare Locals. Without adequate consultation with the Commonwealth, or the development of adequate and transparent transition plans to ensure there are no gaps in service delivery to vulnerable South Australians, SACOSS does not support the cost-shifting of preventive and primary health care services to the Medicare Locals.

### **Specific Program Area Objections**

Beyond the overarching concerns about the approach and methodology of the McCann Review, and the broad directions of its recommendations, SACOSS has concerns in relation to the recommendations in specific program areas. These are outlined below.

#### **Youth Primary Health Services**

The McCann review suggests that many of the youth services do not contribute to the objectives of chronic disease management, hospital avoidance and population health because they have a stronger focus on social support, community engagement and health

promotion (p19). SACOSS believes that these are important components of health and wellbeing and is disappointed that a social determinants approach was ignored in developing the evaluation methodology used in the review. Accordingly, SACOSS questions the basis of the review's finding in this area.

While the promised integrated approach to services appears to be a step in the right direction, SACOSS is concerned that the proposed reconfiguration of youth health services may create issues for vulnerable young people. Of particular concern are cuts to services implicit in the \$1m funding reduction in 2014/15 and the reduction from 3 primary youth health services operating out of 5 sites to only 2 more centralised services. This is a move which may create transport problems or extra costs and barriers to young people accessing the services. SACOSS is not aware of any consultation with service users and key stakeholders in the review process to ensure that vulnerable young people are not left without service access.

Because of the lack of adequate stakeholder consultation and an inappropriate evaluation framework that does not take social aspects of health into account, SACOSS specifically rejects this recommendation.

### **Health Promotion Services**

The recommendation to cut all state-run Health Promotion Services is in stark contrast to the Generational Health Review 2003 and current international evidence, which calls for investment in preventive and primary health care. The rationale for this cut is based on a lack of evidence to prove program effectiveness. SACOSS raises two concerns about this rationale. Firstly, the review contradicts itself by stating that many of the services do contribute to improved population health through health promotion and illness prevention (p 25). Secondly, the suggested lack of *evidence* of effectiveness does not equate to an ineffective service. Service providers should be supported by SA Health with adequate time and resources to undertake appropriate program evaluation.

The recommendation suggests a shift in responsibility to the Commonwealth via Medicare Locals and Local Governments under the yet to be published State Public Health Plan. Given that funding and responsibilities between the Commonwealth, and state and local governments for primary health care are yet to be negotiated and finalised, the recommendation to cut funding to all SA programs is premature at least – if not fundamentally flawed. Unless a formal handover of powers takes place and Commonwealth or other services are assured, SACOSS believes that SA Health has a responsibility for the health of the South Australian community, which includes adequate provision of primary health care, including health promotion.

There is a further problem with the proposal to cut/transfer health promotion to Medicare Locals and local governments as these are regional bodies. If full responsibility for health promotion is shifted, the benefits of a centralised approach, including an established knowledge base; coordinated approach; state-wide cohesion for applying methodologies; evidence based approaches towards program development and evaluation, would be lost. The economies of scale in production of materials and advertising would also be lost.

As noted above, SACOSS understands that Medicare Locals do not currently have the working and funding capacity to provide adequate state wide health promotion services. Given that a number of the health promotion services, including Community Foodies and



Start Right Eat Right work with vulnerable populations who can easily “fall out” of a system, continuity of service and people is a key concern. Even if the transition to Medicare Locals was logistically feasible, SACOSS is concerned that there will be gaps in these services to vulnerable people in the community.

SACOSS rejects the recommendation to cut all Health Promotion Services and calls on the government to maintain responsibility for the health of the South Australian community, including taking an active role in ensuring that there is a coordinated, state-wide approach to health promotion services.

### **Women’s Primary Health Services**

McCann Review suggests, as it did regarding Youth Services, that many services do not contribute to the objectives of chronic disease management, hospital avoidance and population health, because they have a stronger focus on social support, community engagement and health promotion (p33). Again, SACOSS believes that these are important components of health and wellbeing and is disappointed that a social determinants approach was ignored in developing the evaluation methodology used in the review. Consequently, SACOSS questions the basis of the findings and the subsequent proposals.

The lack of recommendation in the McCann Review around the location of future services makes this proposal difficult to comment on, but SACOSS is concerned about the cuts to funding of \$0.5m for 2013/14 and a further \$0.5m for 2014/15. Again, it is noted that that no consultation with service users and key stakeholders took place in the review process to ensure that vulnerable women are not denied service access. Further, SACOSS is concerned that the centralisation of services moves control further away from the community and the grassroots service providers, with the potential to create a more top-down service provision model which is the antithesis of a primary health care approach.

For these reasons, SACOSS rejects the recommendations around reconfiguring women’s primary health services.

### **Aboriginal Workforce Initiative**

Mortality and morbidity statistics show the difference in life expectancy between Aboriginal Australians and the rest of the population, and the current National focus on closing this gap remains prevalent. It is therefore undeniable that Aboriginal health is an area in need of long term, consistent funding for initiatives to improve this gap.

The reduction of funding and staffing for the Aboriginal Workforce Initiative is at odds with the most recent State Strategic Plan, in which the government made a commitment to:

1. Halve the gap between Aboriginal and non-Aboriginal unemployment rates by 2018 (Target 51, Appendix 3); and,
2. Increase the participation of Aboriginal people in the South Australian public sector, spread across all classifications and agencies, to 2% by 2014 and maintain or better those levels through to 2020 (Target 53, Appendix 3)

For what in the context of the health budget is a very small saving, SACOSS does not

support the recommendation to decrease staffing and funding for this initiative.

### **Efficiency dividend**

The proposed efficiency dividend of 3% applied to programs which have not been the subject of detailed review by McCann appears to be little more than an across the board funding cut applied where there is no established health reason. Given that this cut appears to be above the efficiency dividend level applied to most other departments and programs, it represents a particular erosion of funding to much needed preventative health services.

## **Conclusion**

SACOSS notes that the McCann Review has been undertaken in isolation from the rest of the health system. In doing this it has not been able to base itself in the broader context or take into account the true drivers of increased health costs. The proposed cuts are an attempt to save money in a health system where costs are dominated by hospital and medical expenses. Ironically though, cuts to primary and preventative health may only serve to increase costs in the medium to long term through increased burdens on expensive tertiary services driven by a less healthy population.

This submission has outlined over-arching problems with the particular methodology and direction of the review. It has also highlighted problems with particular recommendations in relation to a number of programs and the proposal for an across-the-rest-of-the-board cut via an increased efficiency dividend. Given all of this, SACOSS does not believe that the report is a sound basis for public policy decisions and that the specific recommendations should be rejected.

Instead of a uniform cost-cutting approach, SACOSS would like to see a much more collaborative approach to addressing problems in the health budget, one which takes into proper account the social determinants of health and the real drivers of health costs. Failure to do this will inevitably mean continuing spiralling health costs and worse health outcomes for the South Australian community.

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