# Executive summary

This report reviews the quality of health care in Australia. It begins by providing an overview of policies and practices aimed at supporting quality of care in Australia (Chapter 1). The report then focuses on three areas that are of particular importance for Australia's health system at present: the organisation of primary health care (Chapter 2), the implementation of national standards for hospital accreditation (Chapter 3), and rural and remote health care (Chapter 4). In examining these areas, this report assesses the quality of care provided, seeks to highlight good practice, and provides a series of targeted assessments and recommendations for further improvements to quality of care.

The Australian health system features a complex split of federal and state and territory funding and responsibilities, which can make it difficult for patients to navigate their way through the system. However, it can broadly be characterised as one in which public hospitals are jointly funded by federal and state and territory governments, and are managed by the states and territories. This arrangement is formalised through the National Healthcare Agreement and the National Health Reform Agreement. The agreements imply that both levels of government are responsible for overseeing health care quality. The latter, however, emphasises that the states are the hospital "system managers" while, in contrast, the federal government retains "lead responsibility" for primary health care. Additionally, private hospitals are subject to a combination of federal and state requirements. The states are responsible for licensing private hospitals, while the federal government regulates private health insurance. Better rationalised responsibilities (by making states and territories responsible for primary care, for example) would help ease some of the system's complexity, as well as the tension that sometimes exists between the two levels of government.

Significant work in ***quality monitoring and improvement*** has been led principally by the Australian Commission on Safety and Quality in Health Care (ACSQHC), a government agency that has demonstrated leadership in promoting national improvements in safety and quality. It is responsible for developing and maintaining the national hospital accreditation standards.

Two other federal government bodies whose functions intersect with quality to some degree are the Independent Hospital Pricing Authority (IHPA), which calculates an annual national efficient price to help determine the level of federal funding for public hospitals, and the National Health Performance Authority (NHPA), which collects data on public and private hospitals and primary care organisations and publicly reports on their performance. Australia stands out among its OECD peers with a consolidated national registration scheme of 14 professional groups, overseen by the Australian Health Practitioner Regulation Agency (AHPRA). Despite the efforts undertaken at a national level, however, there remain inconsistencies between the states on a series of quality initiatives. Greater harmonisation of quality monitoring and improvement approaches would make the states more comparable, providing opportunities for health services to be benchmarked against a larger pool of peers, and to draw lessons that could help improve health care quality.

Australia's fragmented health system points to the need to strengthen ***primary health care***, particularly to better manage the large numbers of patients with multiple chronic conditions. An unusual division between "primary care" and "community health" adds to the fragmentation of the health system, while the slow take-up of electronic health has made it difficult to co-ordinate the care of patients across multiple providers. The inflexible nature of the fee-for-service system that dominates Australian general practice does little to promote integration of care, particularly for patients with multiple chronic health conditions. Australia's largely under-developed pay-for-performance scheme, the Practice Incentives Programme, consists of few incentives that are tied to quality and patient outcomes. Additionally, the lack of data on primary care quality and outcomes is surprising, and provides general practitioners (GPs) with very limited opportunity to compare their performance with that of their peers.

An important quality assurance mechanism applied to Australia's public and private hospitals is the ***National Safety and Quality Health Service Standards***. The ten standards are tied to mandatory accreditation, and represent important elements of the overall quality improvement architecture of the health system. In a sign of the efforts made to consult stakeholders widely on the scheme, its development took five years. The standards are focused on acute care, and there is scope to broaden their applicability to take in mental health services, long-term care, primary care and community care. There has been broad agreement from stakeholders that the new standards are a positive move forward, promoting greater clinical involvement and more directly addressing specific quality issues than other standards.

The geography of Australia remains one of the country's most daunting challenges in the provision of health care. Australia has made efforts to improve access to ***rural and remote health care,*** but less attention has been given to the quality and outcomes of health care. This needs to be an area of focus, because the evidence clearly demonstrates that Australia's most remote inhabitants have poorer health outcomes than people living in other parts of the country. Of significant concern are the health outcomes of Aboriginal and Torres Strait Islander people, whose life expectancy trails that of non-Indigenous Australians by ten years. Australia has attempted to solve the challenge of delivering health care in rural and remote areas with a heavy reliance on overseas-trained doctors to fill workforce gaps, the use of telehealth, and by flying health professionals in and out of the most remote parts of the country. It has also increased the number of locally-trained doctors, and provides a range of financial incentives to encourage doctors to work in areas of need. While Australia has also experimented with changing scopes of practice, it has yet to fully realise the full potential of task delegation. Creative thinking is required to use local health workforces more strategically, and this must be supported by strong governance, robust data infrastructure and flexible payment systems to identify and provide greater autonomy to the best-performing health services. In doing so, rural hospitals may be given greater freedom to find innovative solutions to meet the needs of their local populations. The existence of areas of extreme remoteness puts Australia in a unique position to devise smart solutions to this challenging area of health care delivery, making it an exemplar for other OECD health systems.