

Research Program Proposal

Economic Evaluation of Victorian Primary Health Care System

A key component of Victoria's health system is the provision of public value through integrated medical, social and community services in local communities. People are able to access the care they need close to home through locally run Community Health Services.

Victorian Community Health Services (CHSs) are publicly funded organisations that provide an integrated model of local primary healthcare to their communities. They access a diverse array of funding derived from the three levels of government and the voluntary sector. The CHS sector consists of not-for-profit registered services (established as companies limited by guarantee) and community health services operating within larger public health services and small rural health services. There are 100 CHSs operating from approximately 250 sites across Victoria.

Victoria's devolved governance model provides CHSs with an authorising environment that allows for the delivery of services that are relevant to local needs. Accountability to the community and a not-for-profit status ensures that each CHS and their programs are flexible and responsive to the health needs of the local population. The result is an efficient and coordinated service that provides accessible and affordable health and social services to all, regardless of their income or the complexity of their presenting conditions.

The other unique and related factor of the Victorian health environment is the health and well-being responsibilities mandated to local government under Victorian Government legislation. All municipal councils are required to prepare and implement Health and Well-being Plans that take a broad view of health in line with the principles of the social model of health. This means that the social, economic and environmental determinants of health are also addressed by the local elected authority.

This is a very important alliance of capabilities that enables the social, environmental, political, cultural and economic factors that contribute to poor health to be tackled in combination with traditional primary health interventions. The complementary CHS and local council services in any particular area builds stronger, more connected communities and the unique combination of local medical care, health promotion and community-building activities reduces demand for expensive downstream medical procedures, and lessens the strain on an over-burdened acute public hospital system.

In addition to these systemic advantages, these collaborative health structures provides excellent opportunities for training and research in a wide range of disciplines.

However, the Victorian model is somewhat anomalous in the context of the national health reform program as it is not present in other states. But if primary health care is to be taken seriously, if the social determinants of health are to be tackled systematically, and if the community's democratic right and responsibility to participate in health care planning, design, development and implementation is to be realised, the benefits of the Victorian model involving CHSs and local authorities should be carefully evaluated and quantified. A central and strategic requirement in such evaluation is systematic and thorough economic analysis of the effectiveness of the system and its contribution to the health of the nation.

The economic research is complex and challenging and although some elements of the system have been subject to analysis, no overall study of the system has been undertaken. A major reason for this omission until now has been the lack of comprehensive and consistent data. But in the coming years, the work of the National Health Performance Authority will redress this shortcoming.

It is contended that this economic research should be included in the health and medical research program to be recommended as a result of your Enquiry. Such research would coincide with the following terms of reference of the Enquiry:

7. Examine the institutional arrangements and governance of the health and medical research sector, including strategies to enhance community and consumer participation. This will include comparison of the NHMRC to relevant international jurisdictions.

9. Ways in which the broader health reform process can be leveraged to improve research and translation opportunities in preventative health and in the primary, aged and acute care sectors, including through expanded clinical networks, as well as ways in which research can contribute to the design and optimal implementation of these health reforms.