B National Healthcare Agreement performance indicators

The National Healthcare Agreement (NHA) is one of six national agreements incorporated in the current Intergovernmental Agreement on Federal Financial Relations (box B.1) (COAG 2008c). The NHA provides governments with a structure for the funding and delivery of services across the health sector. It defines the respective roles and responsibilities of the Australian and state and territory Governments, and sets out mutually agreed objectives and outcomes for the sector. Monitoring and reporting of government performance against agreed outcomes and benchmarks will be conducted using a set of performance indicators designed for that purpose.

B.1 The National Healthcare Agreement

The NHA had its origins in the 20 December 2007 meeting of the Council of Australian Governments (COAG). COAG agreed to commence a program of substantive reform in order to increase productivity, address emerging inflationary pressures and improve the quality of services delivered to the Australian community. Health and ageing was one of seven areas identified for reform.

The National Health and Hospitals Reform Commission (NHHRC) was established in February 2008 to support reform in the area of health and ageing. Terms of reference provided to the NHHRC included provision of advice on a framework for the next Australian Health Care Agreements (AHCAs), and development of a long-term health reform plan (COAG 2007; NHHRC 2008, 2009).

While previous AHCAs were bilateral agreements between the Australian Government and each state and territory, the current NHA is a single agreement between the Australian and all state and territory governments. It took effect 1 July 2009 and will be reviewed every four to five years, commencing midway through the first four to five year period (COAG 2008d).

Box B.1 **National Agreement Reporting**

In November 2008, the Council of Australian Governments (COAG) endorsed a new Intergovernmental Agreement on Federal Financial Relations (IGA) (2008b). The IGA provides 'an overarching framework for the Commonwealth's financial relations with the States and Territories'. In addition, the IGA sets out 'roles and responsibilities of each level of government and an improved focus on accountability for better outcomes and better service delivery'.

The six National Agreements incorporated in the IGA are the:

- National Healthcare Agreement
- National Education Agreement
- National Agreement for Skills and Workforce Development
- National Affordable Housing Agreement
- National Disability Agreement
- National Indigenous Reform Agreement.

Each National Agreement contains objectives, outcomes, outputs and performance indicators for the sector, as well as performance benchmarks, policy directions and priority reform areas. National Agreements also set out the respective roles and responsibilities of the Australian and state and territory governments in the delivery of services. The performance of all governments in achieving mutually agreed outcomes and benchmarks will be monitored and assessed by the COAG Reform Council and reported publicly on an annual basis.

National Partnerships (NPs) are another form of agreement that fund specific projects and facilitate and/or reward states and territories that deliver on nationally significant reforms. They are bilateral agreements between the Australian and individual state and territory governments. NPs that relate to the health sector include the National Partnership Agreement on Hospital and Health Workforce Reform, the National Partnership Agreement on Preventive Health and the National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes.

Source: COAG (2008c).

The NHA has the overarching objective 'to improve health outcomes for all Australians and the sustainability of the Australian health system' (COAG 2008d). Developed in the context of growing challenges to the sustainable provision of healthcare, it recognises the need for reform of the health sector as a whole in order to achieve this objective. Challenges include access to services, the growing burden of chronic disease, population ageing and escalating costs associated with new health technologies (COAG 2007; NHHRC 2008, 2009).

Unlike previous agreements, which focused exclusively on public hospitals, the NHA extends across preventative, primary, sub-acute, acute and aged care, and is intended to incorporate private sector services where relevant (COAG 2008d; DOHA 2009f). It directly addresses issues of inequitable access to healthcare for Indigenous Australians, residents of rural and remote areas and the socioeconomically disadvantaged. The NHA is also designed to address concerns about the long-term sustainability of the health system.

In another departure from previous agreements, the NHA addresses issues of governance. It clarifies roles and responsibilities of the Australian and state and territory governments in delivering health services. It sets out mutually agreed objectives and intended outcomes across the continuum of care, and specifies policy directions and reform areas that governments have undertaken to prioritise. The comparative performance of governments in achieving objectives and outcomes will be monitored and assessed against agreed progress and output indicators.

The NHA is organised around agreed long-term objectives in seven areas, one of which is 'hospital and related care' (table B.1). Intended outcomes and associated performance indicators (progress measures and outputs) are set out for each of the objectives (table B.2). This structure recognises that, while hospitals are integral to a comprehensive healthcare system, they do not operate in isolation from other parts of the health sector (NHHRC 2008, 2009). Hospital performance is affected not only by internal activities, but also by the performance of, and interaction between, acute, sub-acute and primary healthcare services.

Table B.1 **Objectives of the National Healthcare Agreement**

Area	*Long-term objectives*
Prevention	Australians are born and remain healthy.
Primary and Community Health	Australians receive appropriate high quality and affordable primary and community health services.
Hospital and Related Care	Australians receive high quality hospital and hospital-related care that is appropriate and timely.
Aged Care	Older Australians receive appropriate high quality and affordable health and aged care services.
Patient Experience	Australians have positive health and aged care experiences which take account of individual circumstances and care needs.
Social Inclusion and Indigenous Health	Australia's health system promotes social inclusion and reduces disadvantage, especially for Indigenous Australians.
Sustainability	Australians have a sustainable health system.

Source: COAG (2008d).

Table B.2 **National Healthcare Agreement Reporting Structure**

Outcome	*Progress measure*	*Output*
Prevention		
Children are born and remain healthy. Australians have access to the support, care and education they need to make healthy choices. Australians manage the key risk factors that contribute to ill health.	Proportion of babies born with low birth weight. Incidence/prevalence of important preventable diseases. Risk factor prevalence.	Immunisation rates for vaccines in the national schedule. Cancer screening rates (breast, cervical, bowel). Proportion of children with fourth year developmental health check.
Primary and community health		
The primary healthcare needs of all Australians are met effectively through timely and quality care in the community. People with complex care needs can access comprehensive, integrated and coordinated services.	Access to general practitioners, dental and other primary healthcare professionals. Proportion of diabetics with HbA1c below 7 per cent. Life expectancy (including the gap between Indigenous and non-Indigenous). Infant/young child mortality rate (including the gap between Indigenous and non-Indigenous). Potentially avoidable deaths. Treated prevalence rates for mental illness. Selected potentially preventable hospitalisations. Selected potentially avoidable general practitioner type presentations to emergency departments.	Number of primary care services per 1000 population (by location). Number of mental health services. Proportion of people with selected chronic disease whose care is planned (asthma, diabetes, mental health). Number of women with at least one antenatal visit in the first trimester of pregnancy.
Hospital and related care		
Australians receive high quality hospital and hospital-related care that is appropriate and timely.	Waiting times for services. Selected adverse events. Unplanned/unexpected readmissions. Survival of people diagnosed with cancer.	Rates of services provided by public and private hospitals.

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Table B.2 (continued)

Outcome	*Progress measure*	*Output*
Aged care		
Older Australians receive high quality, affordable health and aged care services that are appropriate to their needs and enable choice and seamless, timely transitions within and across sectors.	Residential and community aged care services per 1000 population aged 70+ years. Selected adverse events in residential care.	Number of older people receiving aged care services by type (in the community and residential settings). Number of aged care assessments conducted. Number of younger people with disabilities using residential, Community Aged Care Package and Extended Aged Care at Home services. Number of people 65+ receiving sub-acute and rehabilitation services. Number of hospital patient days by those eligible and waiting for residential aged care.
Patient experience		
All Australians experience best practice care suited to their needs and circumstances informed by high quality health information. Patients experience seamless and safe care when transferring between settings.	Nationally comparative information that indicates levels of patient satisfaction around key aspects of care they received.	
Social inclusion and Indigenous health		
Indigenous Australians and those living in rural and remote areas or on low incomes achieve health outcomes comparable to the broader population.	Age standardised mortality. Access to services by type of service compared to need. Teenage birth rate. Hospitalisation for injury and poisoning. Children's hearing loss.	Indigenous Australians in the health workforce.
Sustainability		
Australians have a sustainable health system that can respond and adapt to future needs.	Net growth in health workforce (doctors, nurses, midwives, dental practitioners, pharmacists). Allocation of health and aged-care expenditure. Cost per casemix-adjusted separation for both acute and non-acute care episodes.	Number of accredited or filled clinical training positions.

Source: COAG (2008d).

The NHA sets out agreed performance benchmarks against three aspects of 'hospital and related care' (COAG 2008d) that, along with performance indicators, will be considered in assessment of the comparative performance of governments against the NHA. These aspects are:

- administration — within five years implement a nationally-consistent approach to activity-based funding for public hospital services, which also reflects the community service obligations for small and regional hospital services
- emergency departments — 80 per cent of emergency department presentations are seen within clinically recommended triage times as recommended by the Australasian College for Emergency Medicine by 2012-13
- quality and safety — the rate of *Staphylococcus aureus* (including Methicillin-resistant *Staphylococcus aureus* (MRSA)) bacteraemia is no more than 2 per 10 000 occupied bed days for acute care public hospitals by 2011-12 in each state and territory.

B.2 Monitoring and reporting

The COAG Reform Council (CRC) will monitor and assess government performance in relation to the agreed objectives, outcomes, outputs and performance benchmarks. Performance will be reported publicly on an annual basis, commencing with the 2008-09 financial year. Data will be provided to the CRC by the Steering Committee for the Review of Government Service Provision (COAG 2008c).

Hospital and related care

Under the NHA, and like the AHCAs, public hospital funding is the joint responsibility of Australian and state and territory governments. States and territories are responsible for providing health and emergency services through the public hospital system. These services are to be accessible to all eligible Australians free of charge, within clinically appropriate periods, on the basis of clinical need. States and territories also have responsibility for ensuring that those who elect to be treated as private patients in public hospitals do so on the basis of informed financial consent (COAG 2008d).

Governments have agreed to particular policy directions and priority areas for reform in order to achieve the agreed outcomes and objectives (COAG 2008d). In relation to 'hospital and related care', the long-term objective is for 'Australians [to]

receive appropriate high quality and affordable hospital and hospital-related care'. Related policy directions and priority areas for reform are provided in box B.2.

Box B.2 **Policy directions and priority reform areas**

The following policy directions and priority reform areas have been agreed by the Australian, state and territory governments. They include those specified against the 'hospital and related care' objective, as well as those specified under other objectives but related to hospital performance.

Hospital and related care

Agreed policy directions include:

- reduce elective surgery and emergency department waiting times
- increase technical efficiency of public hospital services
- improve safety and quality of care, and patient access to performance information
- more effective assessment and support of patients before admission to, and on discharge from, acute-care settings.

Agreed priority areas for reform include:

- develop nationally consistent activity-based funding for public hospital services
- implement improvements in hospital quality and safety
- increase the proportion of elective surgery patients treated within clinically recommended waiting times
- improve access to rehabilitation, post-acute and transition care services
- improve assessment of relative performance of public and private hospitals
- improve quality of data on non-admitted patient services
- improve levels of informed financial consent for private patients in public and private hospitals.

Areas other than hospital and related care

Agreed policy directions for each target area are:

- aged care — provide continuity of care across hospitals, community and aged care
- sustainability — reward allocative efficiency across preventative, primary, acute, sub-acute, rehabilitation and aged care services.

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Box B.2 (continued)

Agreed priority areas for reform for each target area are:

- aged care — provide older patients in hospitals with timely access to appropriate sub-acute care, including rehabilitation
- sustainability — move to a proper long-term share of Commonwealth funding for the public hospital system.

Source: COAG (2008d).

Performance indicators

Performance indicators to be reported under the NHA largely reflect the agreed policy directions and priority reform areas. 'Hospital and related care' performance indicators (progress measures and outputs) presented in table B.3 include items from a proposed NHA indicator set released in 2008 (AIHW 2008a). Further work to develop these indicators has been undertaken, but is yet to be publicly released. NHA indicators for other areas that relate to hospital performance are listed in table B.4.

Table B.3 **Hospital and related care performance indicators**

Progress measure	*Output*
Waiting times for: • elective surgery • emergency department services. Selected adverse events in acute and sub-acute care settings, including: • adverse drug events • *Staphylococcus aureus* (including MRSA) bacteraemia • pressure ulcers • falls resulting in patient harm • intentional self-harm. Unplanned or unexpected readmissions within 28 days of selected surgical admissions. Survival of people diagnosed with cancer (5 year relative rate).	Rates of services provided by public and private hospitals per 1000 weighted population by patient type.

Source: COAG (2008d); AIHW (2008a).

Table B.4 **Other NHA indicators related to hospital performance**

Area	*Progress measure*	*Output*
Primary and community health	Selected potentially preventable hospitalisations.	
Aged care		Number hospital patient days by those eligible and waiting for residential aged care.
Patient experience	Nationally comparable information that indicates levels of patient satisfaction around key aspects of care they received.	
Social inclusion and Indigenous health	Access to services by type of service compared to need.	
Sustainability	Cost per casemix-adjusted separation for both acute and non-acute care episodes.	

Source: COAG (2008d).