MEDICARE LOCALS

DISCUSSION PAPER
ON GOVERNANCE AND FUNCTIONS

Contents

Preface

The Australian Government has committed to establishing, from 1 July 2011 Medicare Locals, a national network of primary health care organisations. These organisations, coupled with the introduction of Local Hospital Networks, are fundamental elements of the Government's National Health and Hospitals Network which will build on the strengths of our current health system, while encouraging more locally responsive and flexible services, better supporting health practitioners and patients, and improving integration and accountability across the health system.

The establishment of Medicare Locals will also build upon the strengths of the current Divisions of General Practice Network to include a broader range of providers and activities.

The establishment of Medicare Locals will need to take account of existing regional primary health care infrastructure, partnership arrangements, including those established and operated by states and territories, while considering opportunities to build on elements that are currently working well. The introduction of Medicare Locals will require careful consideration of a wide range of issues, including clearly defining roles and responsibilities, structural and clinical governance and determining boundaries and catchment areas.

Above all, successful implementation of Medicare Locals will require communication with a broad range of stakeholders, focusing on elements critical to the success of this major reform. Input and comment on this Discussion Paper is sought from state and territory Governments, health and related professional and consumer groups, patients and other interested individuals and relevant organisations.

In implementing this important initiative, the Department of Health and Ageing (DoHA) will draw upon the information it receives from submissions, research and stakeholder consultations.

How to provide input or comment

You are invited to provide written comment on this Discussion Paper. Submissions can be sent by post or email and should be provided to the Department of Health and Ageing (DoHA) by 15 November 2010.

Content of submissions

Your submission should include:

- name and full contact details (including email address), company name (where applicable) and designation of submitter. A form for providing this information can be found on the Your Health website at: http://www.yourhealth.gov.au;
- comment on areas/questions set out in the Discussion Paper;
- any other relevant information (for example any technical, economic or business information, or research based evidence supporting the view being expressed); and
- identification and discussion of any perceived omissions in the Discussion Paper or alternative approaches.

Confidentiality of submissions

Your submission may be published on the DoHA website: www.yourhealth.gov.au. If you wish any information contained in your submission to be treated as confidential, please clearly identify such information, and outline the reasons why the information should be treated confidentially. Note that general disclaimers in covering emails will not be interpreted as specific requests for submissions to be treated confidentially. DoHA will, however, use its best endeavors to ensure that any information identified as sensitive is treated in confidence.

In addition, where submissions focus on issues specifically relevant to state and territory governments, this information may be forwarded to the relevant jurisdiction(s) to inform jurisdictional consideration of issues relating to the National Health and Hospitals Network.

Address for submissions

Electronic submissions should be emailed to: medicarelocal@health.gov.au

Hard copy submissions should be sent to the following address:

Assistant Secretary Policy Development Branch
Primary and Ambulatory Care Division
MDP 1002
GPO Box 9848
CANBERRA ACT 2601

Questions relating to submissions

Any questions relating to submissions should be directed to:
medicarelocal@health.gov.au

Introduction

From 1 July 2011 the Australian Government will establish Medicare Locals, a national network of primary health care organisations, to improve integration of primary health care services and improve access to services.

Medicare Locals will be an important part of the new National Health and Hospitals Network (NHHN). Medicare Locals will be established as independent legal entities with strong links to their local communities, health professionals, service providers and consumer and patient groups, enabling them to respond effectively to local needs.

Medicare Locals will be responsible for making it easier for patients and service providers to navigate the health care system. Medicare Locals will support health professionals to provide more co-ordinated care, while maintaining the important role that general practice plays in the primary health care sector. Medicare Locals will facilitate improved access to services for patients and encourage greater integration between the primary health care, hospital and aged care sectors. Improvement in primary health care is critical to improving the overall health care system.

The first Medicare Locals (around 15 organisations) are expected to commence operations in mid 2011, with the remainder commencing in mid 2012. The final number of Medicare Locals to be established is to be determined by around the end of 2010 and is subject to ongoing discussions between the Commonwealth and state and territory governments, to allow consistency with the boundaries of Local Hospital Networks as appropriate.

The first group of Medicare Locals will evolve from, and build on, current high functioning Divisions of General Practice. The remaining Medicare Locals are also expected to evolve largely from current Divisions of General Practice that can demonstrate the capacity to take on the additional roles and functions expected of the new organisations. Over the next two years, funding provided to Medicare Locals will replace the contribution made by the Commonwealth to the current Divisions of General Practice Program.

The Commonwealth also recognises there are a number of bodies (including those in the community controlled sector, local, state and territory government and non-government organisations in the community) with skill-sets that appropriately complement those offered by the Divisions of General Practice Network. The establishment of Medicare Locals is expected to draw on the full range of skills and expertise that exists across the health care system.

This paper invites comments and input on the implementation of Medicare Locals, with a particular focus on the following key elements of Medicare Locals:

- What will Medicare Locals do?
- What will Medicare Locals look like?
- How will Medicare Locals interact with patients and providers?

Why Medicare Locals?

The Australian health care system care is currently fragmented, both within the primary health care sector and across hospitals, aged care and specialist care. This fragmentation, and the current uncoordinated proliferation of primary health care services (across program types, sectors, providers and funders) has often led to the most vulnerable patients and clinical populations missing out on the services they require, or receiving treatment in inappropriate settings.

Unfortunately, in many instances a patient's ability to access appropriate primary health care services is more closely related to where they live, rather than their actual clinical needs. Medicare Locals will make it easier for rural and regional patients to navigate the health care system, ensuring smoother transition and better integration between service providers. The Medicare Locals initiative in combination with the out of hours measure, announced as part of the 2010 Federal Budget, will work to address these important issues for patients.

Existing arrangements involving Divisions of General Practice, state and territory initiatives and Medicare Benefits chronic disease management items among others, have had some impact on reducing the fragmentation of the primary health care service delivery system. However, their effect has been limited by a lack of overarching coordination between services offered by providers and the needs of patients and consumers. This shortcoming has often led to additional layers of complexity and inefficiency, resulting in delays and wasted resources, for example, unnecessary patient visits to hospital Emergency Departments for conditions that could be treated in general practice.

The National Health and Hospitals Network (NHHN)

The development of the NHHN acknowledged there are significant challenges and priorities currently facing the health system which are likely to increase over time, including:

- growing pressures on the health system as the population increases and ages and the burden of chronic disease escalates over time;
- substantial overlap, fragmentation and duplication across Australia's nine (state, territory and Commonwealth) health systems, leading to variable levels of quality and access to services;
- insufficient focus on preventing and managing disease in the community;
- extreme pressure being placed on public hospitals as a result of their providing services to patients who could be better cared for in non-acute settings;
- widespread workforce shortages, with serious services deficits to patients in some rural and most remote localities;
- inefficiency and restricted access for patients arising from service duplication and poor coordination within and between services;
- limited local planning and coordination of services to ensure that they address the needs of local communities; and
- poor local community and clinical engagement in the planning and delivery of health services.

To tackle these challenges, the NHHN has been built from three broad principles and objectives:

1. Funding and governance reforms to provide a sustainable foundation for health and hospitals.

2. Reforming the way health services are delivered to keep people healthier and better respond to patient's needs.

3. Investments and reforms to deliver better access to care through providing more services.

Medicare Locals will play a significant role in achieving these objectives and are being established to deliver benefits to patients and providers. The establishment of such organisations was recommended in the report of the National Health and Hospitals Reform Commission (Recommendation 21)[i] and is also a major component of the first building block for reform of the National Primary Health Care Strategy, Regional Integration[ii].

Medicare Locals will help drive the Australian Government's health reform program and strengthen the Australian primary health care system by identifying and addressing local needs through improving access to responsive, integrated and coordinated GP and primary health care services, and by building on the opportunities presented through the other reform activities being undertaken through the NHHN, including:

- new financing arrangements, including the transfer of full funding and policy responsibility for primary health care services to the Commonwealth;
- the establishment of Local Hospital Networks, aged care One Stop Shops and Lead Clinician Groups;
- new health system performance arrangements, including the establishment of a National Performance Authority and participation in the development of Healthy Communities Reports;
- the development of the Personally Controlled Electronic Health Record and other eHealth developments;
- investments in primary health care infrastructure, including GP SuperClinics; initiatives that boost the primary health care workforce; and
- supporting the implementation of initiatives that improve the prevention and management of disease by general practice and primary care.

These reforms will ensure that our health resources are most appropriately directed to keeping Australians healthy and out of hospital where possible. The reforms aim to encourage a model of care that allows providers the opportunity to organise and coordinate care around the needs of the patient. This is in contrast to the uncoordinated and poorly integrated episodic care that arises when health care delivery is dictated by funding models and not patient's health care needs.

1. What will Medicare Locals do?

Medicare Locals will retain, and expand, the functions and activities currently undertaken by the Divisions of General Practice – including general practice support and delivery of programs.

A key role for Medicare Locals will be undertaking local health planning, identifying gaps in services at the local level, examining opportunities for better targeting of services and establishing formal and informal linkages with the acute and aged care sectors. In doing this, Medicare Locals will drive more efficient use of our health resources – by encouraging the delivery of primary care, ambulatory and acute care in the centres that are most able to safely and effectively provide them. Patients will benefit by experiencing shorter and safer patient journeys, within streamlined, and better focused clinical systems. Greater efficiency will mean that more 'health' can be provided for the same health care dollar.

Medicare Locals will improve patients' access to services by improving the co-ordination and integration of care both within the primary health care sector and the across other sectors of the health care system. This coordination function will make it easier for patients to navigate the health care system, receiving the treatment they require, in the most clinically appropriate setting.

In addition, Medicare Locals will be uniquely placed to expand the provider support role across a much wider spectrum of professional service providers, encompassing the full gamut of providers contributing to the provision of primary care to patients.

Medicare Locals will also support the coordination and integration of primary health care services transferred to the Commonwealth from the states and territories (as outlined in the National Health and Hospitals Network Agreement). Previously these services had little interaction and coordination with the wider primary care system. By ensuring a common approach to the full range of primary care services, Medicare Locals will reduce the overlap and duplication of services that is so often frustrating for patients and providers alike.

Medicare Locals will have a specific role in coordinating local face-to-face after hours GP services, working with local GPs and other health professionals to ensure that these services are available in local communities. Medicare Locals will also provide a platform for encouraging better prevention of disease, and for supporting better coordination of mental health services into the future.

In addition, Medicare Locals and Local Hospital Networks will need to work closely together to ensure the integration and coordination of services across primary and acute care.

Important areas where Medicare Locals and Local Hospital Networks will need to work together include ensuring that there are appropriate clinical pathways between different settings, such as for clinical handover or on discharge from hospital; better integration of services; and identifying and addressing service gaps especially at the interface between primary and acute care.

While the details of these roles and functions will be further developed through consultation with stakeholders and jurisdictions over coming months, activities are expected to be based around 5 key objectives for Medicare Locals:

1. **Identification of the health needs of local areas and development of locally focused and responsive services**
   Over time, detailed local population health and service plans will be developed to inform the planning and coordination activities undertaken by Medicare Locals. Decisions and processes based on evidence and strong population health data will enable a stronger focus on prevention and early intervention, result in more appropriate service utilisation, improved patient access and greater clinical and administrative efficiency. The development of Healthy Communities Reports (giving health consumers and providers access to greater levels of information regarding health services and performance in their region) will further inform planning, prioritisation and resource allocation, resulting in the right care being provided in the right place, at the right time.

2. **Improving the patient journey through developing integrated and coordinated services**
   Patients will experience improvement in how the health services they access are organised around their needs, with clinical pathways (developed collaboratively between the Medicare Local, Local Hospital Network and Lead Clinician Groups) taking account of local circumstances with better transition and transfers between care settings.

3. **Provide support to clinicians and service providers to improve patient care**
   By building on the good work in supporting providers by Divisions of General Practice, Medicare Locals will see greater levels of interaction and integration across the full primary care system (including nursing, allied health, specialists and pharmacy). This will encourage more appropriate and coordinated care being provided to more patients. Medicare Locals will assist primary care providers to meet safety and quality standards of service delivery in their local community, and monitor and provide feedback to providers on their performance.

4. **Facilitation of the implementation and successful performance of primary health care initiatives and programs**
   Medicare Locals are expected to play a central role in delivering the reform program objectives. In particular, Medicare Locals will be a conduit for reform initiatives through their direct engagement in improving access to after hours primary care, improving access to mental health primary care services, delivering more primary care services to older Australians and flexibly meeting the needs of patients with chronic conditions.

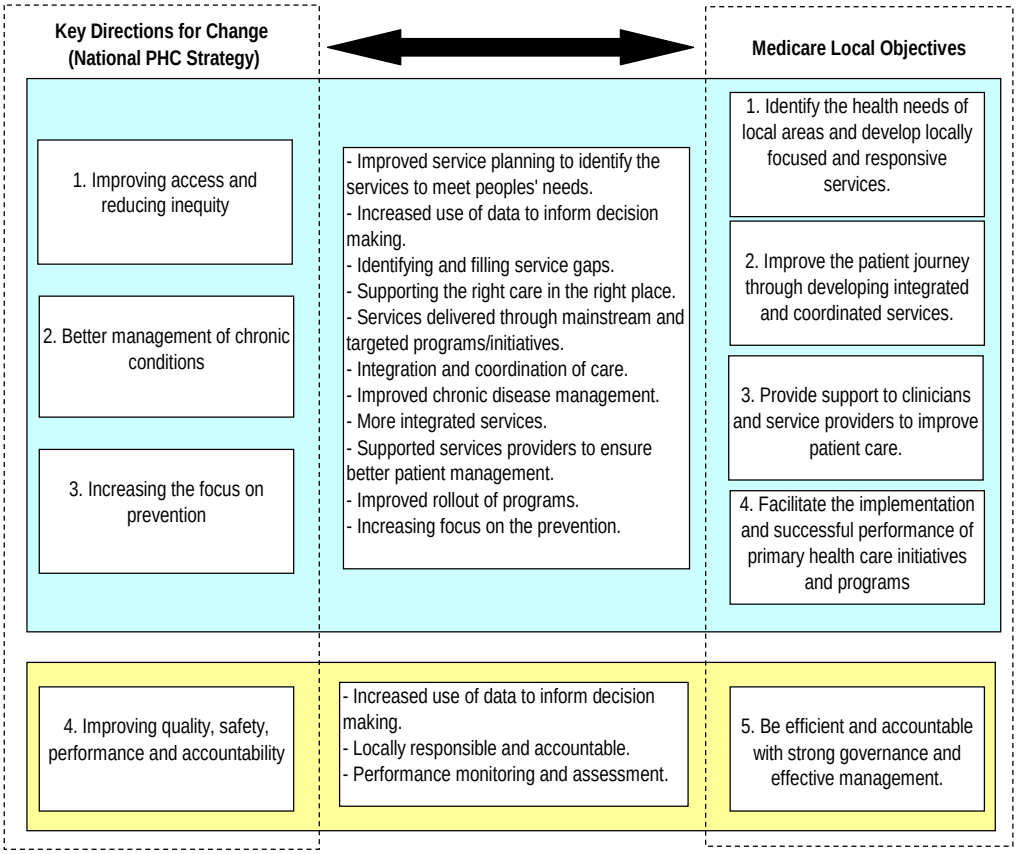
5. **Be efficient and accountable with strong governance and effective management**
   Medicare Locals will have strong community engagement and transparent reporting. Through strong links with the community, Local Hospital Networks, Lead Clinician Groups, the National Performance Authority and the Australian Commission on Safety and Quality in Health Care, Medicare Locals will also encourage improved clinical governance, performance reporting and the adoption of safety and quality standards and clinical practice.

As previously discussed, the establishment of strong primary health care organisations is one of the key features of the National Primary Health Care Strategy (the Strategy). The roles, functions and objectives envisioned for Medicare Locals

have strong links with the key directions identified in the Strategy. Medicare Locals provide the foundation to ensure that Australia's primary health care system is equipped to meet the challenges and needs of the future.

Figure 1 represents the links between the National Primary Health Care Strategy and the proposed objectives for Medicare Locals.

Figure 1



Once established, Medicare Locals will provide the platform to support a number of primary health care programs, including those currently funded through the Divisions of General Practice Network. Some of the health reform measures announced by the Australian Government have already identified a role for Medicare Locals, including:

- coordination of after hours primary care services;
- administering a flexible funding pool to target gaps in primary health care for aged care recipients;
- expansion of the Access to Allied Psychological Services program;
- support the implementation of initiatives that improve the prevention and management of disease by general practice and primary care; and
- the potential for Medicare Locals to manage the funding and policy responsibility for primary health care services if delivery is transferred from the states and territories to the Commonwealth.

Medicare Locals' initial role in direct service delivery will be based on the existing responsibilities and arrangements of Divisions of General Practice, such as for the provision of allied health services and psychological services. This may evolve further over time, with future roles and responsibilities depending on the mix and level of existing primary health care services in an area.

Medicare Locals will provide patients with greater information about services available in their regions. Through the production of Healthy Communities reports, information will be made available on how specific challenges in their area are being addressed and how the health profile of their community is changing over time.

Questions

- What features will Medicare Locals need to have in order to achieve their objectives:
    1. Identification of the health needs of local areas and development of locally focused and responsive services
    2. Improving the patient journey through developing integrated and coordinated services, including across the transitions between primary and acute and aged care
    3. Providing support to clinicians and service providers to improve patient care
    4. Facilitation of the implementation and successful performance of primary health care initiatives and programs
    5. Be efficient and accountable with strong governance and effective management

- Are there other roles and functions Medicare Locals could potentially adopt?

- What challenges will there be for Medicare Locals in performing the proposed roles and functions?

- How should Medicare Locals and Local Hospital Networks work together?

2. What will Medicare Locals look like?

The Australian Government has outlined a number of principles or characteristics that will shape the governance arrangements for Medicare Locals.

Consistent with the Australian Government's health reform plans, Medicare Locals will:

- be independent legal entities (not government bodies);
- be accountable to the Australian Government;
- be regionally based and able to respond to local need;
- operate with strong local governance, including broad community and health professional representation, as well as business and management expertise;
- have strong clinical leadership (noting that the role of Medicare Locals will be to support clinicians, not get involved in clinical decision making about individual patients) including through links with Lead Clinician Groups;
- work closely with Local Hospital Networks to improve patient care, quality of health services and improve the patient journey and transition between care settings;
- where possible and appropriate, potentially have some common membership of governance structures with Local Hospital Networks; and
- establish a formal engagement protocol with Local Hospital Networks.

Other key principles include:

- The necessity for a balance between national consistency and local flexibility in governance arrangements to enable Medicare Locals to respond to local needs and circumstances. In particular, governance arrangements need to be appropriate for rural and remote communities, as well as reflecting the needs of specific population groups such as Indigenous people.
- The need for clear lines of accountability to both local communities, the Commonwealth and the National Performance Authority.
- The requirement for reporting arrangements to be as simple, relevant and as robust as possible.
- The need, when transitioning to Medicare Locals, to ensure continuity in the services currently being provided by Divisions, such as allied health and psychological services, so that clinical care to patients is maintained.

Questions

- What other broad principles or characteristics are important in establishing governance arrangements for Medicare Locals?

- What formal linkages are required between Local Hospital Networks and Medicare Locals to ensure good coordination of services to the community?

Legal structure and internal governance

The National Health and Hospital Network Agreement states that Medicare Locals will be independent legal entities, not government bodies.

The Commonwealth will be the primary funder of Medicare Locals, although Medicare Locals will be able to seek funding from other funding sources. It is expected that Medicare Locals will remain not-for-profit organisations.

Consistent with these principles, it is expected that Medicare Locals would be established as public companies limited by guarantee – incorporated under the Commonwealth Corporations Act 2001. The Commonwealth will undertake further work on the legal, financial, taxation and operational implications of this approach. Feedback received through this consultation process on governance, membership and function of Medicare Locals, combined with legal advice will help determine the legal structure of the organisations.

It is intended that Medicare Locals will operate with strong local governance, including broad community and health professional representation, in addition to business and management expertise.

Medicare Locals will continue to support primary health care providers – a role currently performed by Divisions of General Practice (noting that there is varying capacity and professional linkages across the current Network). Medicare Locals will, however, establish and maintain strong links with a broader range of primary health care stakeholders in a more structured and consistent manner, across private and public sectors, including:

- general practice (including GPs and practice nurses);
- other health professionals (allied health providers, nurses, medical specialists);
- health and non-health service providers (across the community health, Indigenous health, hospital, aged care, health education and training sectors);
- community pharmacy;
- non-government organisations; and
- consumers and community representatives.

A key issue is to determine what governance arrangements are required within each Medicare Local (not just at the Board level) in order to perform the roles and functions expected of the organisation and to meet a diverse range of responsibilities. These responsibilities will include:

- establishing formal linkages with Local Hospital Networks (which may include some common membership of governance structures where possible and appropriate);
- effectively engaging with a broad range of local stakeholders;
- setting strategic directions and determining priorities for the organisation in line with national policies and priorities;
- managing budgets and allocating funds;
- complying with legal, fiduciary, regulatory and reporting responsibilities; and
- ensuring that the organisation is accountable to local communities and its funders.

The Board will be responsible for the overall management of the organisation. In accordance with contemporary business practice, skills-based Boards will be used, in order to allow the Medicare Local to more readily discharge its complex range of planning, legal, business and financial management issues.

To ensure formal linkages remain between Medicare Locals and Local Hospital Networks, Medicare Locals are expected to have some common membership of governance structures with Local Hospital Networks where possible and appropriate.

In addition to the Board, it will be essential for Medicare Locals to have other governance arrangements in place that promote engagement with key stakeholders and the wider community. Mechanisms may include advisory committees, consultative forums, and ongoing communication activities.

Questions

- What is needed to ensure that the structures and governance arrangements for Medicare Locals are flexible enough to deal with future changes in the health care system, including potentially different roles and responsibilities in primary health care?
- What other types of internal governance structures are needed to support the Board and the operations of the Medicare Local?

Membership

If, as is expected, Medicare Locals are established as companies limited by guarantee, each Medicare Local would be formed by a number of initial members.

Members of a Medicare Local could range from a small number of individuals (such as the members of the founding Board), individual primary care practitioners (including GPs, allied health and other health professionals), local health and aged care organisations or a wider range of members of the community.

At present, many Divisions of General Practice primarily have GPs as members. In recent years, some have broadened their membership to include other types of health professionals and practice staff (to varying degrees across the Network).

Basing membership of Medicare Locals on local primary care practitioners (including GPs, allied health and other health professionals) would build on existing arrangements, and help maintain providers' engagement with Medicare Locals. It would also help ensure that local primary care practitioners could have a direct say in how Medicare Locals are governed and managed.

However, if Medicare Locals are to address the health needs of a whole local community, including consumers as well as health care providers, it will be important to ensure that they are perceived as working for that local community, not only for a particular membership. It will also be important to ensure that local providers who are

non-members, are not perceived to be at a disadvantage compared to members, particularly where the Medicare Local will be involved in holding flexible funds and purchasing services.

Questions

- Who should the members of Medicare Locals be?
- How should membership be structured to ensure Medicare Locals focus on the health needs of their local community?
- What rights should members have and should they be able to influence the governance or the activities of Medicare Locals?

Clinical governance

It is expected that clinical governance will be a key component in the role of Medicare Locals. Medicare Locals will be expected to work towards continually improving the quality and safety of primary health care services in their geographic area of responsibility by supporting an environment that fosters high quality and safe clinical care. They will be required to identify deficiencies in these areas and address those deficiencies at the system level. Medicare Locals will support clinicians without becoming directly involved in clinical decision making about individual patients.

As part of the Government's health reform agenda, Local Lead Clinician Groups will be established across Australia. A primary role of these groups will be to provide clinical leadership, expertise and advice to Local Hospital Networks. A key issue for the clinical governance of Medicare Locals will be how this engages with Local Lead Clinician Groups to support the provision of high quality care across local primary and acute care services.

Questions

- What aspects of clinical governance should Medicare Locals be responsible for?
- What is required to ensure appropriate linkages between Medicare Locals' clinical governance and Local Lead Clinician Groups?

Boundaries

The geographical size of catchment areas and demographics of the population to be served by any particular Medicare Local will have a major impact on the capacity of Medicare Locals to meet their intended objectives. The size and distribution of the population within any given catchment needs to be considered to ensure a balance exists between:

- ensuring that Medicare Locals have sufficient economies of scale to respond to a region's health issues; and
- not being so large that the Medicare Local risks losing its clarity of purpose, is too remote from constituent practices, or is unable to effectively engage health care practitioners in meeting organisational goals.

Additionally, Medicare Locals will need to be able to adapt to future needs and pressures as a result of population and demographic shifts, changing patterns of clinical practice and service delivery challenges within their boundaries. These factors may be considerations in determining the catchment regions of Medicare Locals.

Currently there is significant variability in both the geography and population covered by individual Divisions of General Practice (with population coverage ranging from between 15,000 residents to more than 600,000).

While the total number and population catchment size of Medicare Locals have yet to be determined, international evidence, the report of the National Health and Hospitals Reform Commission and the National Primary Health Care Strategy have suggested that between 50 and 75 Medicare Locals would be appropriate in the Australian context, with catchment populations of between 100,000 and 1,000,000 people.

The Government has recently concluded a public consultation process seeking views on a technical paper commissioned by the Australian General Practice Network, entitled "*Framework for Development of Primary Health Care Organisations, Parts 1,2, and 3*". Interested organisations and individuals were invited to comment on the proposed boundaries of Medicare Locals and Local Hospital Networks, with a focus on the following aspects:

- principles for determining boundaries or catchment areas for Medicare Locals, including potential differences between metropolitan, rural and remote areas;
- suggestions about the optimum number of Medicare Locals in a particular state, territory or region, including potential boundaries in each area;
- how boundaries might be defined in cross border areas; and
- potential barriers or difficulties that will need to be addressed in establishing new boundaries and catchment areas for Medicare Locals.

While the analysis of submissions received through this process is still being undertaken, a key consideration will be a method of optimal alignment with the new Local Hospital Networks boundaries. The Commonwealth will release proposed boundaries for Medicare Locals shortly, which will then be the subject of further discussions with stakeholders and the state and territory governments.

Any additional comments relating to boundaries may also be submitted in response to this Discussion Paper.

3. How will Medicare Locals interact with patients and providers?

To date the scope for community input into the planning and key directions of primary health care services at the local level has been limited and inconsistent. For example, currently only around 30 per cent of Divisions of General Practice have a consumer representative on their Board. Where opportunities for community input exist, they have often only involved a sub-set of services available within a community, and limited scope for influencing realignment of resources between alternative priorities.

Under the National Health and Hospitals Network Agreement, Medicare Locals will be required to have strong links to local communities, and as previously identified there will be a number of methods through which Medicare Locals will engage with their communities.

As part of the performance and accountability arrangements built into the National Health and Hospitals Network, the National Performance Authority will monitor and report on the performance of Medicare Locals and will produce Healthy Communities Reports, which will help Australians make more informed choices about their health services, and help ensure the quality of primary health care services continues to improve.

These Reports will be easy to access and include, on a nationally consistent basis, local and regional area information, including information on:

- preventive health risk factors and other measures of community health and wellbeing;
- access to GP services and out of hours GP care; and
- the extent to which the health system is working in a coordinated way, for example, through the number of avoidable hospital admissions and trends in this information over time.

Questions

- How can communities best be supported to fully participate in the activities of Medicare Locals?
- What can Medicare Locals do to facilitate stronger community participation in local primary health care service planning and delivery?
- What kinds of information would be appropriate to provide in Healthy Communities Reports?

Conclusion

Medicare Locals are an important part of the National Health and Hospitals Network, which recognised that GP and primary health care services are integral to an effective and efficient Australian Health system. Medicare Locals will make it easier for patients and service providers to navigate the health care system and will ensure better integration between the primary health, acute and aged care sectors.

Medicare Locals will build on the functions and activities currently undertaken by the Divisions of General Practice. Medicare Locals will take on a local health planning role, identify gaps in services, establish links with the acute and aged care sectors and support the integration and coordination of primary health care services transferred to the Commonwealth from the states and territories.

A number of issues and questions requiring further development are raised throughout this document, including:

- Key roles, functions and objectives such as:
    - o health planning;
    - o access to services;
    - o supporting clinicians and service providers; and
    - o a platform for better delivery of primary health care services, including the prevention and management of chronic disease.

- Governance and structural arrangements consisting of:
    - o legal structure and internal governance;
    - o membership;
    - o clinical governance; and
    - o boundaries.

- The interaction between Medicare Locals, patients and providers in local communities including:
    - o accountability through Healthy Communities Reports; and
    - o consumer participation in Medicare Local activities.

In order to guide the continuing development of these issues the Commonwealth invites you to comment on the questions posed throughout this Discussion Paper.

References

[i] National Health and Hospitals Reform Commission *A Healthier Future for all Australians – Final Report* June 2009

[ii] Commonwealth of Australia 2010 *Building A 21st Century Primary Health Care System*