



Private Healthcare Australia
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Consultation Paper – Draft Outline of the National Allied Health Workforce Strategy

July 2024

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About Private Healthcare Australia (PHA)

Private Healthcare Australia (PHA) is the Australian private health insurance industry's peak representative body. We have 22 registered health funds throughout Australia as members and collectively represent 98% of people covered by private health insurance. PHA member funds provide healthcare benefits for 14.8 million Australians.

Introduction

PHA welcomes the opportunity to contribute to the development of Australia's first national allied health workforce strategy.

Health funds have a vested interest in Australia having a strong health workforce that can meet the needs of their members. About 55% of Australians pay for private health insurance so they can access health care where and when they need it, and members value choosing who will care for them.

Private health funds provide the largest contribution to allied health funding other than patient contributions. Health funds covered more than 50 million consultations in 2022-23 and provided more than \$2.7 billion in patient benefits,¹ while Medicare contributed to 27 million consultations, paying \$1.8 billion in benefits¹. (See appendix one for a detailed breakdown of what health funds paid benefits for in 2022-23.)

Australia's health system delivers some of the best health outcomes in the world, but it faces significant challenges, including a chronic shortage of health workers, increasing demand from an ageing population, and rising costs for new technology. If we are to meet the health needs of Australians over the next 40 years, we must find more cost-effective ways of delivering healthcare. This will undoubtedly involve expanding the role of allied health professionals and improving the integration of allied health with other primary care providers.

Health funds want to help their members prevent illness and manage their health, so they avoid costly health problems and interventions in future. It's good for members and it makes actuarial sense, but legislation and regulation currently limit what health funds can cover. These legislative barriers contribute to inappropriate restrictions on scope of practice for many health professionals.

The pandemic put a spotlight on the potential flexibility of our health workforce, and showed how rapidly governments could innovate and change scope of practice in a crisis. When we needed to vaccinate millions of Australians quickly, we saw pharmacy students trained to assist.² When

¹ <https://www.aihw.gov.au/reports/primary-health-care/general-practice-allied-health-primary-care#:~:text=Allied%20health%20services%20subsidised%20by,the%20Department%20of%20Veterans'%20Affairs.>

² <https://www.medicalrepublic.com.au/vic-pharmacy-students-to-join-vaccine-efforts/40724>

hospitals were overwhelmed with emergency patients, we saw physiotherapists and occupational therapists trained to do the work of nurses and doctors to discharge patients and free up hospital beds.³ There were many other examples from around the world that demonstrated the great potential for health professionals to work smarter, not harder, to deliver efficient, affordable, high quality healthcare.

As we continue to grapple with a cost-of-living crisis, the development of this strategy is timely. The most recent Australian Bureau of Statistics data on barriers to use of healthcare showed an increasing number of Australians are delaying or foregoing healthcare due to cost. We must find ways for health expenditure to go further, so more Australians get the right care, at the right time and from the right person for them.

Recommendations

The draft strategy should provide a greater focus on private funding for allied health, as private contributions and health funds provide most of the funding for the sector.

The draft outline is generally sound but misses several opportunities to focus on health funds' contributions to allied health workforce, funding and regulation.

To offer some examples:

- a definition of allied health should consider the services currently rebated by health funds
- health funds and other payors such as compensation schemes should be listed as intended users of the strategy
- health fund data may help illustrate area workforce shortages, as health funds cover around double the number of consultations as Medicare
- health funds have strategies to recognise and regulate allied health professionals not covered by the national registration scheme.

It is surprising that the long list of sectors where allied health professionals work does not include private practice – this is by far the most common workplace for most allied health clinicians. Should the strategy focus on institutionalised care settings, it will both fail to acknowledge current practice and curtail innovations in care in the private sector.

³ <https://www.abc.net.au/news/2021-10-07/covid-navigator-pilot-cuts-emergency-admission-time/100517492>

The draft strategy should consider the potential for health funds to pay all allied health professionals for Chronic Disease Management Plan services.

The draft outline refers to a shortage of allied health professionals; factors driving workforce supply and demand; and factors associated with retention, or attrition, of allied health professionals in their chosen profession. There is scope for health funds to play a bigger role in making allied health professions more attractive to people considering entering the professions, and to support retention.

For example, health funds want to be able to pay all allied health professionals for Chronic Disease Management Plan (CDMP) services, such as those designed for people with mental health disorders, obesity and type 2 diabetes. This would improve the range of opportunities for allied health professionals across Australia.

However, health funds are currently limited to paying a list of designated health professionals for CDMP services under the Private Health Insurance (Health Insurance Business) Rules 2018 (the Business Rules). These Rules currently prohibit health funds from providing CDMP services involving, among others, counsellors, social workers, nurses, lactation consultants and many more. The defined list of health professionals listed in the Rules as eligible to provide these services only includes the registered allied health professions and is out of step with current best practice and should be removed altogether.

The Commonwealth Government is currently considering allowing nurses, mental health nurses and nurse practitioners to be included in this list, but PHA wants the list eliminated altogether so health funds can choose which health professionals they will pay for CDMP services.

Conclusion

Optimising Australia's allied health workforce is a critical part of improving access to both public and private health services. 14.8 million Australians are contributing towards their health care via private health insurance. A greater focus on allied health provides consumers with more choice about their health care and takes pressure off our stressed public system. Health funds want to provide their members with a wider range of health services to help them live a healthy, productive life. The development of this strategy should consider the needs of Australians with health insurance and how all stakeholders can work towards delivering modern, best practice health care.

Appendix 1: Common allied health services funded by private health insurance under general treatment cover in 2022-23

Common allied health services claimed under general treatment cover	Number of services claimed by PHI members in 2022-23	Total insurer benefits paid in 2022-23 (\$)	% increase in services claimed compared to previous year
Optical	12.31M	\$989.82M	5.1%
Physiotherapy	11.59M	\$459.08M	5.2%
Chiropractic	9.17M	\$308.86M	3.0%
Natural therapies	6.87M	\$239.08M	17.7%
Podiatry	3.03M	\$126.59M	6.0%
Pharmacy (e.g. preventive vaccines - Hepatitis A/B injections, flu, travel)	2.09M	\$82.38M	19.2%
Acupuncture/ Acupressure	1.37M	\$41.08M	8.3%
Osteopathic	1.08M	\$40.15M	6.9%
Preventative health products/ Health management programs	621,407	\$32.95M	14.1%
Psych/Group Therapy	441,682	\$35.53M	12.2%
Occupational therapy	282,322	\$12.73M	4.4%
Dietetics	202,297	\$9.28M	5.4%
Hearing aids and audiology	88,314	\$56.54M	11.7%

Source: APRA

More details, including time series, are available on request.