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Review Article

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Remote Hospital Reform in the Context of Australian Health Care Reforms

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Abstract

Public hospitals play an important role in the delivery of essential healthcare in Australia as in many countries. The Australian Government has in the recent years implemented national healthcare reform to improve the performance of and access to public hospital services. This reform extends to all public hospitals including remote hospitals. However, there is limited information on how reform should be implemented in relation to remote hospitals. With this background, this article presents literature about national healthcare reforms, reform in Australia, hospital reform and the context in which remote hospitals operate. Based on our study, while hospital services and access to them is very important for remote population in Australia there is limited evidence to show national healthcare reforms have improved access in remote areas of Australia. Our study indicates the need for studies focusing on remote hospitals to identify the contextual issues these hospitals face and how reforms can be adapted to address their unique needs.

Keywords: Health care reform, Hospital reform, Health care services, Health care delivery, Remote area

Background and Objectives

Because of the important role that public hospitals play in the provision of essential health services in Australia, there has been increased scrutiny of their performance.[1,2] A key issue is access to the hospital services. The Australian Government, over 2008-2014, embarked on major reforms of the public hospital system.[1] These reforms included the establishment of national targets to monitor and improve hospital services access accompanied by funding for public hospital infrastructure. At the time the Australian Government intended the reforms to be relevant to all public hospitals (including remote hospitals).[1,2] Remote areas in Austrlia have had issues with appropriate access to hospital services for long. However, there is meagre evidence on how national health reforms should be adapted to improve hospital access in remote locations in Australia.[3] Therefore, it is important to understand the unique context in which remote hospitals operate, their requirements and how they are linked to national healthcare reforms. This review aims to provide some information in this regard by identifying and evaluating relevant literature about healthcare reforms and the positioning of remote hospitals in this context.

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Methods

Search Strategy and Selection Criteria

To identify literature in the context in question, a computerized search using Google Search and Google Scholar was initially undertaken to obtain a preliminary assessment of available information. Based on the search data a more structured search of peer-reviewed literature or grey literature (e.g. government technical reports) using Academic Databases such as 'Web of Science,' 'Scopus' and 'Medline' was undertaken to identify appropriate articles. Table 1 shows the keywords used in the literature search.

Inclusion and Exclusion Criteria

Following an extensive search of the databases, more than 100 articles were found to be appropriate for consideration. Following this the author used certain criteria for including or excluding articles. The main criteria for inclusion were the articles had to be relevant and aligned to 4 categories as Table 2.

The above categories were formulated on the basis of the preliminary computerized search and the study's aim to identify literature about '*healthcare reforms and the positioning of remote hospitals in this context.'* In addition to these criteria the articles were to have a theme of 'reform' or 'change' or 'restructure' covered in their text. Articles, which did not align with the 4 categories under consideration, were excluded. This exclusion narrowed identified

Table 1. Keywords Used in the Literature Search

Keywords
• Healthcare Reform, • Health Restructure, • Health Service Change, • National Healthcare Reform • Australian Healthcare Reforms, • National Healthcare Reform in Australia • Hospital Reform, • Hospital Restructure, • Hospital Change Management • Remote Health Services, • Remote Hospital, • Healthcare Reform in Remote Areas

Table 2. Categories Considered for Inclusion

Categories
Healthcare Reform
Healthcare Reform in Australia
Hospital Reform
Reform in Remote Hospitals

articles to nearly 80 articles or documents.

Quality Assessment and Data Extraction

The selected articles/documents were further scrutinized for their quality (peer reviewed or publishing organisations), immediate relevance to the research topic, the time frame in which the text was published and the context. This process narrowed down suitable articles or texts to approximately 39. These articles/documents were then grouped into the 4 aforementioned categories by 'Mendeley' software. Following, 'NVivo' software was used to extract textual data from the articles and analyse them as per the previously mentioned categories.

Review

The results of the review are discussed under Healthcare Reforms, Healthcare Reforms in Australia, Hospital Reforms and Remote Hospitals categories.

Healthcare Reforms

Health care reform, in its essence, seeks to change existing heath service arrangement.[4] Although health care reform has progressed from just focusing on organisational change to include changes in economic aspects of health services; organisational change remains a major component of health care reform.[5] Approaches to health reform differ from country to country and sometimes even within a country.[6] While some health reforms focus on certain aspects within a health system, others seek to restructure the entire system significantly. Several factors are known to influence the reform of health systems.[7] These include external or macro-level factors beyond the control of governments such as global economic and population trends. Such forces may be mediated to some extent at the meso-level by national and state policies and at the micro-level by organisational reform strategies. Also, different philosophies and theories can drive health reforms. In particular, a very popular theory in reform is the concept of "new public management."[8] Basically, the concept is that organisational performance and health care service provision can be improved through the introduction of market mechanisms into the public sector.

This has led to a rethink of how public health services should be delivered and funded with measures such as financial devolution, explicit standards of measuring performance, clear specifications of relationships between inputs and outputs and the introduction of competition, such as competitive tendering and virtual markets.[8] There is said to be a gain in efficiencies from the introduction of competitive forces leading to increased transparency in management processes.

Reform can also be about changing governance structures so management and organisations can be held accountable for the expenditure of public funds.[9] Health reform can be used to provide overall strategic direction. Ideally, the intention of the changing governance arrangements in Australia is to improve the accountability and effectiveness of management. Some health reforms focused on achieving equity in consumer access to quality health services combined with achieving a reduction in health disparities. These reforms usually include improvements to community health insurance coverage because this is broadly recognised as important in reducing disparities.[10]

A key driver behind organizational reform in the public sector has been because of concern about efficiency and quality of services.[11] Disaggregation of the public sector into discrete management units is thought to improve efficiency and quality of service provision. Allowance of autonomy or semi-autonomy is supposed to help in reducing bureaucratic control and setting up an environment for innovativeness and improved productiveness. Insufficient autonomy may stifle the management processes within a hospital and in turn impact on overall efficiency. The theory supporting increased hospital autonomy purports that it enables management to develop structures and systems congruent to their devolved functions and responsive to their local situation.[11]

Healthcare Reforms in Australia

Australia has a largely publically funded healthcare system

called 'Medicare,' which provides access to all public hospital and some medical and allied health services to Australian citizens and permanent residents.[12] Medicare has been in existence, in different forms, since 1975. It was implemented throughout Australia through health care agreements between the Federal Government and States and Territories. Under Medicare, States and Territories handle the provision of public hospital services. These services are funded both by State and Territories and by grants from the Australian Government.

It has been argued that Australians have unacceptable inequities both concerning health provision and outcomes.[13] It has been further argued this is because of the health system having inherent faults to address the inequities adequately. According to this perspective, the main structural flaw is the split of funding responsibility and performance accountability amongst different levels of government. This issue, coupled with varying capacities of governments to fund essential health services, has provided a compelling case for structural and systemic reform.[13,14]

In 2009, a report by the National Health and Hospital Reform Commission (NHHRC), identified that the public hospital system, in practice, was fragmented, poorly responsive and underfunded and in dire need of reform.[13] The report was developed following the election of the Labor Government under Kevin Rudd in 2007 to honour pre-election commitments (to address hospital funding amongst other health issues).[15]

The NHHRC report provided a 'blue print for health reform.'[16] With the establishment of the NHHRC and other national health reform initiatives, the States and Territories agreed to a series of National Agreements under the auspices of the Council of Australian Governments (COAG).[15] Through the reforms outlined under the NHHRC, additional funding for public hospitals would be provided by the Federal Government to increase access to essential hospital services like emergency department (ED) and elective surgery services.[13] Public hospitals with major EDs would be funded to ensure there were sufficient available beds to enable timely access for patients being admitted through the ED.

One of the important initiatives through these agreements is the establishment of local hospital networks (LHNs).[17] By establishing the LHNs, the main intentions are to decentralise the management of public hospital management, to increase accountability at the local level, and to drive improvements in hospital performance.[17] The LHNs will engage in system-wide public hospital service planning, purchasing of public hospital services, development of infrastructure, and planning for teaching and research.[12] The LHNs are also accountable for service delivery access and outcomes and are required to ensure robust and transparent reporting.[17]

Hospital Reforms

Public hospitals play an important role in achieving system-wide health reform goals. These hospitals are central to the quality of secondary and tertiary level health care services delivered to communities.[18] However, managing hospitals is an expensive business, with hospital costs accounting for a majority of healthcare expenditure.[19] Therefore, making hospitals more efficient is an important concern. Hospital reform, like health reform, can take different forms. Efficiency may be achieved by increasing hospital autonomy, efficient use of resources and through the introduction of performance measures.[19]

Hospital performance has become an important issue in the eyes of stakeholders.[20] Meagre resources and changing structures have led to challenges in delivering services. Present day hospitals have to fulfil several objectives: achieve high clinical performance in a rapidly changing technological world, increase productivity within tight budget constraints and under close inspection, and increase patient access to services while confronted with shortages in health workforce.[20]

Many Governments believe that there are significant efficiency gains to be achieved in the hospital sector.[21] These gains are thought to be possible through the rationalising of activity between hospitals and clinical levels of hospital care and through the granting of greater autonomy to hospitals on a phased basis.

Hospital performance can be assessed within the framework of organizational theory.[20] Performance is directly linked to the way services are delivered, that is, how access to services is enabled. With performance improvement, there is an emphasis on how the organization gears itself to run smoothly without undue internal strain. Some authors have considered performance improvement as equating to quality improvement with the ownership for quality being a system issue.[20] Describing performance at a hospital level rather than at a patient level allows for benchmarking and assessment for effective care. Both of these approaches are necessary to achieve continuous quality improvement.

In the United States of America, improving hospital performance has focused on the quality of healthcare provision.[18] This approach concentrates on identifying inefficient aspects of hospital care and utilises quality improvement techniques to redesign patient care provision. Such an approach has been seen to be effective in many cases.[18]

The national health reforms in Australia have led to the development of a 'Performance and Accountability Framework' and the establishment of a National Health

Performance Authority (NHPA).[2] The NHPA was established in 2012 to provide transparent public reporting of every LHN and each hospital within the network.[1] The Performance and Accountability Framework covers performance across a wide range of health services.

As part of the national health reform agreements, States and Territories have agreed to report a comprehensive list of performance indicators. Specifically for hospitals, performance measures were instituted, for example waiting times for elective surgeries and ED were instituted.[1] Figures relating to these performance measures for most Australian Hospitals are now being published on the Commonwealth Government's funded 'My Hospitals' website[23] and through NHPA reports.[24]

The reforms have also led to the provision of additional funding of up to $1 billion to increase access to hospital services.[25] The provision of additional funding has been largely through National Partnership Agreements and dedicated hospital infrastructure funds such as the Health and Hospital Fund.[22,24]

National partnership payments are a mechanism through which the Australian Government can support specified projects/outputs and encourage reform and efficiency.[1,24] Two agreements have focused largely on public hospitals, namely *National Partnership Agreement on Hospital and Health Workforce 2008* (NPA-HHWR) and the *National Partnership Agreement on Improving Public Hospital Services 2012* (NPA-IPHS).[26,27]

The NPA-HHWR, agreed to in 2008, had the broad intention to improve efficiency and capacity in public hospitals, while specifically aiming to take the pressure off public hospitals by increasing ED capacity.[26] The Australian Government provided a total of $1383 million to states and territories through this agreement. The NPA-IPHS, agreed to in 2011, invested $3.4 billion to increase hospital access and support previous work under the NPA-HHWR.[24,27] Although this large quantum of funding was provided by the Australian Government, the states and territories were expected to continue regular funding of public hospital services and report on targets and funded projects.

The *Health and Hospital Fund* (HHF) established in January 2009 through the *Nation Building Funds Act 2008*, sought to invest in health infrastructure that enabled the achievement of health reform targets.[28,29] The HHF was not meant to replace State and Territory effort and required their co-contribution for projects. So far, four HFF funding rounds have taken place with $5 billion disbursed by the Australian Government for various hospital and non-hospital infrastructure projects.[30]

Remote Hospitals

Remote residents face significant challenges in accessing relevant health services, which in turn have issues with staff retention and resource constraints.[31,32] The geographical isolation of such locations and inadequate investment in remote health services have been described as the main factors responsible for these issues.[15] Although rural health services face workforce and resource limitation issues, the isolation component in remote locations is stronger.[15,31] Therefore, some researchers and professional bodies have made a distinction between rural and remote health services.[33]

Hospital services are an integral and vital component of health service provision in rural and remote areas.[34] The provision of hospital services in these areas requires a different tact to that of metropolitan situations. Not only do rural and remote patients require access to local services but they also need predictability and planning for specialised services not available in local hospitals. The frequent need to travel great distances not only places a huge burden on patients and families but also creates inequities in access.[3,34]

Hospitals in remote locations have unique challenges that impact on their viability and need to deliver quality services to their populations. Hospitals in remote areas have either seen repeated downgrading of their services or their services not being upgraded to match their population growth.[15] This has led to clinicians leaving hospitals because they have been frustrated by inadequate professional or infrastructural support. EDs in these hospitals are also challenged by an increasing burden of a mixture of complicated cases and patients seeking 24-hour free care for non-urgent medical conditions.[15, 35,36]

This scenario is complicated by social disadvantage, disharmony, and physical distances, which in remote locations have a direct impact on hospital service delivery.[15,31,32] Populations in remote areas also have significant health disparities compared to urban populations. These set of circumstances have led to hospitals and health services to adopt unique and out-of-the-box models of care, which try to optimize the limited resources these services have.[15,31-33,37]

Conclusions

There have been different views about how reforms will impact hospital services.[38,39] The review has identified little or no information on how national healthcare reforms will involve remote hospitals and address their unique needs. Some even question whether reforms are relevant to rural and remote areas because of their different profile.[3] There is a need for studies focusing on remote hospitals to study the contextual issues these hospitals face and how reforms can be adapted to address their unique needs.

The review findings reflect the importance of hospital ac-

cess and performance for governments and stakeholders both worldwide and in Australia. With the Australian Government intending the reforms to be relevant to all public hospitals (including regional and remote hospitals), it is important to understand the impact of the reforms from a remote hospital perspective. It is assumed by policy-makers that reforms can improve hospital access, including remote sites. However, the literature reveals little evidence to support this understanding.

There are limitations to this study; the main limitations this being a literature review and not a systematic review. A systematic review may uncover studies, relating to national healthcare reforms and remote hospital access, this study could not. Therefore, further studies are required to fill the gaps in evidence and to provide a clearer picture of the relationship between national health reforms and access to hospital services in remote locations.

Competing Interests

The author declares no competing interests.

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