

Community Health Funding Model Development & Dental Service Funding Model Review

Project Overview and Q&A

Project background

Building on the recommendations of the Victorian Auditor-General's Office (VAGO) review of the Community Dental Health Program¹ and Community Health Program (CHP),² the Department of Health and Human Services will be undertaking a two-part project: *Community Health Funding Model Development* and *Dental Service Funding Model Review*. The two-part project seeks to inform improvements in data and monitoring systems, review approaches to pricing and recommend changes and inform development of a broader and more sophisticated funding model.

As part of responding to the VAGO audit of the Community Health Program, a review of the unit price paid for allied health and nursing services was conducted. This review recommended that further funding model reform be undertaken by the department, underpinned by broader consultation.

The Department is committed to improving the way services are funded and ensuring that funding approaches facilitate service providers to enhance needs-based models of care. To achieve this, the department will work in partnership with agencies to ensure funding model is developed that works for service providers, the workforce and facilitates client outcomes.

What are we trying to achieve?

The overarching aim of this project is to develop an appropriate and effective funding model for Victorian public dental services and community health services.

The Department recognises the following priorities that are to inform the development of these funding models:

- Strengthened capacity to deliver evidence-based practices and programs;
- Greater flexibility in the delivery of core funded activity;
- Recognition and remuneration of client complexity;
- Enhanced productivity, innovation and efficiency;
- Consistency with other funding approaches in the health service sector;
- Consistent pricing structures across service providers;
- Consistent units of measure across similar service categories; and
- A shift towards outcomes focused service delivery.

1. www.audit.vic.gov.au/sites/default/files/20161107-Dental-Services.pdf

2. www.audit.vic.gov.au/sites/default/files/2018-06/20180606-Community-Health_0.pdf

What are the project objectives?

For the community health funding model development:

- To undertake a comprehensive CHP costing study to develop a pricing model, including weightings that reflect complexity and associated requirements for care coordination and other aspects of best practice service model for priority clients;
- To develop a broader funding model for the community health sector that enhances capacity to maximise integration and flexibility to deliver optimal services to people with chronic and complex needs; and
- To identify opportunities for improving health outcomes for eligible cohorts through funding model reform.

This will build on work undertaken by Aspex Consulting in 2018 to review CHP unit pricing.

The project objectives for the dental services funding model review are:

- To undertake a 'Consistent Price' review;
- To review the value of applying the Commonwealth funding model to public dental services; and
- To develop a funding model for community dental services, including a consistent DWAU, and weightings that reflect resource impacts (such as remoteness and client complexity, inter alia).

What will the project involve?

The project will include a range of concurrent activities, including:

- An environmental scan considering existing policies, frameworks and program documentation, as well as a targeted jurisdictional scan to identify relevant funding/pricing model innovations;
- Collection and analysis of cost and activity data from select dental and community health providers (study participants), including some organisations that provide both dental and community health services;
- Site visits with a subset of the study participants to explore and validate the data collected;
- Developing and testing funding model options; and
- Reporting, including implementation planning for the preferred funding model option.

How will study participants be selected?

To ensure that a representative sample of study participants are selected, organisations will be identified with consideration of scale, geographic location, registered vs integrated status and other service characteristics. To minimise the burden of data collation, a sample that represents approximately 50% of the total statewide dental chairs and 50% of CHP activity will be selected. Whilst participation in the project is voluntary, if you are identified as a study participant, we would strongly encourage you to take this opportunity to partner with the department in this important project to ensure a robust basis for developing a future funding model.

What is expected of study participants?

Aspex Consulting will invite identified organisations to participate in the *cost and activity survey* which will seek the necessary activity and financial data, including revenue, cost allocation and expenditure data, to inform the project.

How can I be involved?

The Department is committed to strong sector engagement to inform the development of funding models and subsequent transition plans. All service providers will have an opportunity to engage with this project.

Key engagement opportunity includes:

- **Contributing a submission to the discussion guide.** A Discussion Guide will be distributed in advance of an open session in March 2020 and service providers will have the opportunity to make a written submission;
- **Attending an open session in March 2020.** Delivered by Aspex Consulting, this open session is for community health providers to learn of the interim findings and contribute to the development of the funding models options and implementation plans; and
- **Targeted consultation.** Up to 16 study participants will be invited to participate in more detailed consultations, including hosting a site visit, to validate the data collected and test the architecture of potential funding models.

The Department will provide bulletins throughout these projects to keep the sector up to date with progress.

What is the timeframe?

The Department has commissioned Aspex Consulting and KPMG to undertake these projects from October 2019 to June 2020.

Further Information

Should you wish to discuss this matter further, please contact Louise Galloway, Director Primary Care, Dental and Drugs on 9096 5238 or louise.galloway@dhhs.vic.gov.au