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SA Health

Policy

Improving Access to Primary Care in Rural and Remote Areas (Section 19(2) Exemptions) Initiative

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Version 1.0

Approval date: 4 November 2021

PDS Reference No: 0488

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Government
of South Australia

SA Health

1. Name of Policy

Improving Access to Primary Care in Rural and Remote Areas (Section 19(2) Exemptions) Initiative.

2. Policy statement

This policy provides the mandatory requirements for SA Health entities to apply for and operate a section 19(2) exemption through the COAG Improving Access to Primary Care in Rural and Remote Areas Initiative (section 19(2) Exemptions) Initiative ('the Initiative').

This Policy is underpinned by the Memorandum of Understanding (MOU) between the Commonwealth and South Australia, under which, state operated health services within categories 5-7 of the Modified Monash Model ('MMM') classification system are eligible to apply for an exemption from section 19(2) of the Health Insurance Act 1973 (Cth) ('the HI Act').

Exemptions allow eligible services provided by primary health care providers under state and territory funded remuneration arrangements to be claimed against the Medicare Benefits Schedule ('MBS').

Other types of exemptions to section 19(2) of the HI Act, including those to support regional General Practice training, are provided directly by the Commonwealth through other initiatives. These exemptions fall outside the scope of this MOU and therefore this policy. Other exemptions will have their own implementation and reporting requirement, as determined by the Commonwealth.

3. Applicability

This policy applies to all employees and contracted staff of SA Health; that is all employees and contracted staff of the Department for Health and Wellbeing, Local Health Networks (including state-wide services aligned with those Networks¹) and SA Ambulance Service.

Wellbeing SA and the Commission on Excellence and Innovation in Health have also agreed to adopt this policy, as relevant and applicable.

In this document any reference to 'SA Health' includes Attached Offices to the extent that they continue to exist and adopt this policy.

4. Policy principles

SA Health's approach to this Initiative:

- > Our approach to the Initiative is underpinned by the agreed principles in the MOU.
- > We acknowledge that all Australians should have equitable access to appropriate and quality health care, throughout their lifetime, regardless of their place of residence within Australia.
- > We acknowledge Australians in rural and remote areas face particular challenges when it comes to accessing appropriate health care, and it is the responsibility of all Australian governments to address these challenges.
- > We engage the health practitioner workforce, recognising their involvement is critical to ensure the continued success of the Initiative.
- > We ensure funding accessed through the Initiative is not used for any purpose that undermines the viability or profitability of existing, privately operated health services, including existing general practices.

¹ 'Statewide services' includes Statewide Clinical Support Services, Prison Health, SA Dental Service, BreastScreen SA and any other state-wide services that fall under the governance of the Local Health Networks

- > We must implement the Initiative as transparently as possible,

Further to this, the following principles apply in developing, evaluating and maintaining services under the Initiative:

- > We must commission services through a whole of system view, aligned to SA Health strategic planning and sustainability.
- > We deliver services compliant to relevant Medicare legislation and National Health Reform Agreement (NHRA) business rules.

5. Policy requirements

LHN requirements

Operational Plan approval and Implementation:

- > The process for LHNs to develop and consult on Operational Plans for a Section 19(2) exemption under this initiative is outlined in the mandatory instruction at appendix 1.
- > The LHN will lead work to develop their Operational Plan for appropriate State Government and Commonwealth approvals, with support from the Department.
- > LHNs and participating eligible SA Health employed health professionals will be responsible for ensuring that:
 - Patients who receive eligible services assign their Medicare benefits in accordance with Medicare Australia requirements. The requirements for the assignment of Medicare benefits remain unchanged under this Initiative.
 - Patients must not be charged a co-payment for MBS billed services under this Initiative.
- > The Medicare benefits must be claimed in accordance with the HI Act and Medicare Australia billing rules. It will be the responsibility of the eligible health professional to allocate the item numbers and otherwise ensure compliance with Medicare Australia requirements.
- > The health service will claim MBS items on behalf of the clinician and retain all income from MBS billing as hospital revenue.

Reporting and monitoring responsibilities:

- > Where an exemption is granted under the Initiative, this will be reflected in the LHN's service agreement with the Department.
- > LHNs must fulfill reporting obligations for the Initiative which are outlined in the mandatory instruction at appendix 1.
- > The LHN will provide any information necessary and appropriate to assist the clinician complete their income tax return and Business Activity Statements, in relation to the services delivered under this Initiative.
- > LHNs are accountable for the services delivered under the Initiative, including:
 - Compliance with the HI Act, rules governing the MBS and the business rule for the current NHRA.
 - Consideration for how the Initiative interacts with Rights of Private Practice (RoPP) for eligible clinicians and patient choice.
 - Compliance with implementation of the policy including:
 - Revenue management for the initiative.
 - Informed engagement of eligible clinicians.

- Seeking Department support to implement the initiative.
- Reporting on activity and outcomes to the Commonwealth, via the Department, in line with requirements outlined in the MOU supporting documents issued by the Commonwealth and requirement of the Department to support activity and revenue compliance.

Participating SA Health employed medical practitioners and health professional requirements

- > Health professionals and Medical professionals providing services under the Initiative must:
 - Provide written consent to the terms for service delivery, MBS claims and revenue management in line with the Operational Plan provided by the LHNs.
 - Comply with their obligations as a Medicare provider.
 - Allocate appropriate MBS item numbers for eligible services.
 - Pay-over all Medicare earnings from the services delivered under the Initiative to the governing LHN.

Department requirements

- > the Department will provide advice where sought, to support LHNs to develop appropriate service models, including support to understand any activity and commissioning impacts that may arise through a proposed model.
- > The Department will convene a panel to review the Plan and liaise with the LHN to finalise their Plan, where an application to the Commonwealth is feasible. The mandatory instruction for this review is outlined at appendix 1.
- > The Department will support the LHN with submission of the Operational Plan for State and Commonwealth approval in line with the mandatory instruction at appendix 1.

Industrial arrangements

- > The Initiative relates exclusively to public patient services provided at eligible sites. Eligible health professionals continue to be subject to existing terms and conditions of employment or engagement in respect of such services.
- > Eligible health professionals must comply with SA Health policies and procedures while participating in the Initiative. Eligible health professionals must be consulted by the LHN to seek their agreement to participate in the Initiative and such agreement should be recorded in writing. A template to support this provided in the supporting toolkit.
- > Standard employment related indemnity arrangements continue to apply to eligible health professionals in respect of services provided under the Initiative.

Allocation of funds

- > Funds generated under the Initiative must be used to enhance primary care services at the site (or its outreach services) to which the exemption applies as identified in the site's Operational Plan, as submitted to the Commonwealth.
- > No more than 30% of Medicare rebates generated under the Initiative can be directed towards administration of the Initiative and incentives payments.
- > Where the Operational Plan foreshadows such an approach, revenue raised from eligible sites can be pooled by such sites for reinvestment initiatives which benefit all the sites (e.g. shared locum/equipment).

6. Mandatory related documents

The following documents must be complied with under this Policy, to the extent that they are relevant:

- > Health Insurance Act (1973) (Cth)
- > Medicare Billing Schedule rules
- > National Health Reform Agreement - provisions and business rules

7. Supporting information

- > COAG Section 19(2) exemption initiative – Supporting Toolkit

8. Definitions

- > **Eligible Health Professional:** means an employee of a participating LHN who is a:
 - o Nurse Practitioner; or
 - o Salaried Medical Officer or a Visiting Medical Specialist (as defined in the relevant Enterprise Agreement); or
 - o Midwife; or
 - o Allied Health Professional (including Aboriginal and Torres Strait Islander Health Practitioners); or
 - o Dental professional;AND
 - o Holds a valid Medicare provider number for the site.
- > **Eligible Service:** means professional non-admitted, non-referred services, including eligible nursing, midwifery, allied health and dental services. For diagnostic imaging services, the same provisions that currently apply to General Practitioners would also apply under this Initiative.
- > **Initiative:** means the Council of Australian Governments ('COAG') Improving Access to Primary Care in Rural and Remote Areas Initiative exemption granted under section 19(2) of the Health Insurance Act (1973) (Cth) by the Federal Minister for Health targeted at rural and remote hospitals and health services.
- > **Medicare Benefits Provider Eligibility:** means criteria outlined in the Health Insurance Act (1973)(Cth) for a medical practitioner or health professional (including eligible nurse practitioners, midwives, allied health and dental practitioners) wishing to access Medicare Benefits.
- > **Memorandum of Understanding (MOU):** means the MOU signed between the Commonwealth and South Australia in relation to the cooperative implementation of the Council of Australian Governments "Improving Access to Primary Care in Rural and Remote Areas Initiative (COAG s19(2) Exemptions Initiative)" and as varied from time to time.
- > **Modified Monash Model ('MMM'):** means the classification system used to categorise metropolitan, rural and remote areas according to both geographical remoteness and town size. For the purpose of this Initiative, eligible locations must be within categories 5-7.
- > **Non-Admitted Patients:** means patients who do not undergo a hospital's formal admission process. There are three categories of non-admitted patients:

- Emergency department patients;
 - Outpatients; and
 - Patients treated by hospital employees off the hospital site – including community/outreach services.
- > **Operational Plan:** means the plan that outlines how the LHN intends to implement and operate the section 19(2) exemptions under this Initiative. A Commonwealth template for the Operational Plan as attached to the MOU is available in the supporting toolkit.

9. Compliance

This policy is binding on those to whom it applies or relates. Implementation at a local level may be subject to audit/assessment. The Domain Custodian must work towards the establishment of systems which demonstrate compliance with this policy, in accordance with the requirements of the [System-wide Integrated Compliance Policy](#).

Any instance of non-compliance with this policy should be reported to the Domain Custodian for the Intergovernment Relations and the Domain Custodian for the Risk, Compliance and Audit Policy Domain.

10. Document ownership

Policy owner: Executive Director, Strategy and Intergovernment Relations as Domain Custodian for the Intergovernment Relations Policy Domain

Title: Improving Access to Primary Care in Rural and Remote Areas (Section 19(2) Exemptions) Initiative Policy

ISBN: 978-1-76083-462-3

Objective reference number: A3044809

Review date: September 2022

Contact for enquiries: Principal Lead Health Strategy

11. Document history

Version	Date approved	Approved by	Amendment notes
1.0	November 2021	D.Frater, Deputy Chief Executive	

12. Appendices

1. *Appendix 1 - Improving Access to Primary Care in Rural and Remote Areas (Section 19(2) Exemptions) Initiative Policy Mandatory Instruction.*

Appendix 1 Improving Access to Primary Care in Rural and Remote Areas (Section 19(2) Exemptions) Initiative Policy Mandatory Instruction

The following Instruction must be complied with to meet the requirements of the Improving Access to Primary Care in Rural and Remote Areas (Section 19(2) Exemptions) Initiative Policy.

1. LHN requirements to develop and consult on an Operational Plan

1.1 Identify a suitable site which meets the MMM eligibility criteria and develop a suitable service model.

1.2 Ensure the proposed model for a section 19(2) exemption aligns to:

- a) the strategic direction of SA Health and links with the SA Health and Wellbeing Strategy 2020-2025.
- b) the strategic direction of the LHN, including their clinical services plan as appropriate.

NOTE: The LHN may choose to seek advice from the Department on the proposed model ahead of further development and consultation.

1.3 The proposed model is to be developed into an Operational Plan to support further consultation and submission for appropriate State and Commonwealth approval. LHN developed Operational Plans under this Initiative must undergo consultation in line with requirements under the MoU.

1.4 Consultation will include engagement with the SA Country Primary Health Network, clinicians and other stakeholders. A template to support the development of the Operational Plan is provided through the supporting toolkit.

1.5 The Commonwealth require evidence of support, or otherwise, from local private or community-based primary health care practitioners in the area or nearby (if there are any such providers) and other stakeholder groups (such as the local Primary Health Network, Aboriginal Medical Services and Royal Flying Doctor's Service) as appropriate.

1.6 Primary health care practitioners may choose to be represented by a representative in negotiations.

1.7 Through consultation, the LHN will:

- a) Provide information on the proposed section 19(2) exemptions and the Operational Plan to all stakeholders, including (but not limited to), impacted local private health practitioners, general practitioners, the Royal Flying Doctors Service and Aboriginal Health Services and other Non-Government Organisations who may be impacted by the Initiative.
- b) Seek written support from all stakeholders and allow time for meaningful and considered negotiations and engagement. This includes any local private health practitioners, noting that flexible operational arrangements can be negotiated if the private service provider has any concerns. This can include:
 - o work-life balance for private service providers i.e. after hours, weekend and closed office hours
 - o MBS billed Primary care services only during the private service provider's closed hours or similar
 - o MBS billed Primary care services at all times for transient patients or tourists.

1.8 Where agreement cannot be established by all stakeholders, or where support is withdrawn, the Commonwealth and the Department will conduct a review, noting that the Commonwealth reserves the right to make a final decision on granting of the exemption

1.9 The Operational Plan must identify how the MBS rebate will be spent, noting that at least 70% of the MBS rebate funds derived from the Initiative must be invested in new services and improvements at the site or in outreach services. No more than 30% of the rebate can be used to pay for the administration of the Initiative and incentives payments, such as recruitment and retention incentives.

1.10 LHN will finalise the Operational Plan and submit to the Department for review and feedback. Following this the LHN will lead progress through state approval, with support from the Department, including preparing SA Government Cabinet documents where required.

1.11 Where an exemption is granted, the LHN will obtain written consent from participating medical practitioners and eligible health professions participating in the scheme (template for clinician agreement is available in the supporting toolkit.)

2. LHN reporting and monitoring requirements

2.1 LHNs must fulfill reporting obligations for the Initiative which include:

- a) Report on the operation of the Initiative at each site for the preceding financial year, by 30 July each year (or the next business day). This includes reporting on activity and revenue generated.
- b) Reports to be provided to the Department for central collating and submission to the Commonwealth by 31 August each year.
- c) Provide updated Operational Plans to the Department, or advice on changes upon request as required.
- d) Inform the Department of any issues relating to privately practicing health practitioners, including General Practice or other providers in the region that arise following the issue of an exemption.
- e) Obtain the Department's clearance prior to the issue of any information, including (but not limited to) media releases or promotional materials that promote the Initiative. Any such material must refer to the Commonwealth's role, contribution and funding.
- f) Provide any information to the Commonwealth and/or the Department, in response to any reasonable request, in a timely manner.

3. Department requirements for Operational Plan development and approval

3.1 Once the LHN has submitted its Operational Plan to the Department, The Department will review the proposed LHN Operation Plans as part of the application process. An expert review panel will be convened as required.

- a) The Panel membership will include representatives from key leadership, professional, operational and strategic areas of the SA Health, to consider the scope and intent of the Operational Plan.
- b) When reviewing the proposed Operational Plan, the Panel will consider:
 - o The Plan's alignment to the policy principles and requirements outlined in the MOU
 - o Risks to the site and SA Health.
 - o Alignment to relevant SA Health strategic and clinical service planning
- c) Where concerns arise or information is lacking, the Department will provide advice and work with the LHN to further develop the proposed plan.
- d) When the Department and the LHN are comfortable with the proposed plan, the Department will support the LHN in progressing the plan for appropriate approval at State and Commonwealth levels as a batch with any other exemptions being sought in the same cycle through:
 - o Supporting the LHNs with preparing submissions for SA Government Cabinet as required, including liaison with the Department of the Premier and Cabinet and Department of Treasury as required.
 - o Submitting approved Operational Plans to the Commonwealth.

3.2 To support operation and monitoring of the exemptions, and on advice from the LHN, the Department will:

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- a) Inform the Commonwealth of any issues relating to privately practicing health practitioners, including General Practice or other providers in the region that arise following the issue of an exemption.
 - b) Obtain the Commonwealth's clearance prior to the issue of any information, including (but not limited to) media releases or promotional materials that promote the Initiative. Any such material must refer to the Commonwealth's role, contribution and funding.
 - c) Gather ongoing reports from LHNs to submit to the Commonwealth as required.
- 3.3 The Department will also Incorporate the exemption and services delivered under it in the LHNs Service Agreement with the Department.

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