What does the 2017-18 Federal Budget mean for eye health and vision care?

Overview

The 2017-18 Federal Budget, handed down on Tuesday 9 May, has been described as a positive budget for health, although there are certainly some areas of concern for the eye health and vision care sector.

Significant cuts have again been handed down to the international development sector as part of the foreign aid budget, which will have consequences for stakeholders operating in an already tight fiscal environment.

A lack of targeted focus on Closing the Gap for Aboriginal and Torres Strait Islander people will continue to impact patients, in eye health and vision care particularly, where addressing social determinants of health is imperative to improving outcomes.

Despite these concerns however, this is ultimately a budget the eye health and vision care sector should be encouraged by.

The Honourable Greg Hunt MP, Minister for Health has confirmed a commitment to developing a Long-Term National Health Plan, to be based on the four pillars of guaranteeing Medicare and the Pharmaceutical Benefits Scheme; supporting hospitals; prioritising mental and preventive health; and investment in medical research. Resuming indexation of the Medicare Benefits Schedule, albeit progressively, is a positive step towards reversing the pressures placed on the sector in previous years.

A renewed commitment to ensuring the National Disability Insurance Scheme is appropriately funded is welcomed by the sector and we look forward to continuing to work with the Australian Government to ensure that the NDIS and other Australian Government policy settings, including in aged care and employment, take into account the needs of people who are blind or vision impaired.

This Snapshot provides an overview of budget measures related to eye health and vision care. Overall, the Australian Government has delivered a budget which takes positive steps towards addressing the sector’s concerns and Vision 2020 Australia looks forward to working with the sector and continuing to advocate for eye health and vision care to remain on the agenda.
Preventative eye health

Guaranteeing the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme

The Australian Government has committed to progressively restore **indexation of the Medicare Benefits Schedule (MBS) rebate** over the next three years. Indexation on general practitioner bulk-billing incentives will resume from 1 July 2017; standard general practitioner and specialist consultations from 1 July 2018; and specialist procedures and allied health services, including optometry, from 1 July 2019.

The Australian Government will establish a **Medicare Guarantee Fund** from 1 July 2017 to ensure the ongoing funding of the MBS and the Pharmaceutical Benefits Scheme (PBS) into the future. The Fund will be credited with revenue raised from the Medicare levy (excluding amounts to meet the Government’s commitment to fund the National Disability Insurance Scheme) as well as a portion of personal income tax receipts sufficient to cover the estimated costs of essential health care provided under the MBS and PBS. These amounts will be held in the Fund for the sole purpose of meeting the cost of essential health care provided under the MBS and PBS.

The Australian Government will invest $44.2 million over three years from 2017-18 to continue the clinician-led **MBS Review Taskforce**, tasked with identifying recommendations to improve patient outcomes through the best clinical practice. Alongside the Review, $44.5 million will enable the **Medical Services Advisory Committee (MSAC)** to continue to support the provision of independent advice on services covered by the MBS and ongoing examination of available evidence for proposed new medical technologies and procedures.

Strengthening Australian medical research

Significant investment has been made to work towards doubling Australia’s current medical research funding. The 2017-18 Federal Budget kicks off disbursements from the **Medical Research Future Fund (MRFF)** - estimated to be worth $20 billion by 2021. Disbursements of $1.4 billion over the next five years will be shared by eight research projects and will be consistent with the **Australian Medical Research and Innovation Priorities 2016-18**, which have been identified by the Australian Medical Research Advisory Board. A balance of long-term research and clinical trials will improve health system efficiency, patient care and access, health outcomes, and innovation in health.

The initiatives include:

- $20 million for preventive health and research translation projects. Including $10 million for Advanced Health Translation Centres and $10 million for the Australian Prevention Partnership Centre.
- $33 million for clinical trials to build on Australia’s world class strengths and to ensure Australia is a preferred destination for clinical trial research.
- $12.9 million for breakthrough research investments to drive cutting edge science and accelerate research for better treatments and cures

The Australian Government has also committed to invest $50 million over four years to establish an Indigenous Research Fund and strengthen evaluation of the Indigenous Advancement Strategy. Ongoing research and evaluation is critical to measure outcomes towards Closing the Gap for Aboriginal and Torres Strait Islander people.
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Primary health care reforms

The Australian Government has restated its commitment to strengthening primary care and has outlined measures which work towards improving the access, delivery, quality and coordination of primary health care services.

The Government will look to achieve efficiencies of $41.9 million over four years from 2017-18 by prioritising existing services and using more efficient communication channels in the Primary Health Care Development Program however these measures are not intended to impact on front line services or patient outcomes. Any achieved efficiencies will be redirected to fund other health policy priorities.

Primary Health Networks

The Australian Government continues to build on its investment into Primary Health Networks (PHNs) by providing $145.5 million over two years from 2017-18 to ensure that urgent after hours medical services are available for patients who need them.

Health Care Homes

Working closely with GPs and other health professionals, the Australian Government is progressing the implementation of the Health Care Homes trial with 20 practices, including Aboriginal Community Controlled Health Services, to commence 1 October 2017 and the remaining 180 to commence 1 December 2017.

To further support the Health Care Homes initiative, the Australian Government will provide $825 million over three years from 2017-18 to community pharmacies to improve Australians’ access to medicines, enabling pharmacies to offer new or expanded services to consumers, including home visits by pharmacists, helping patients with their medication, and supporting Health Care Homes with medicine management.

My Health Records

The Government will provide $374.2 million over two years from 2017-18, including $94.0 million in capital, to continue to improve the My Health Record system and expand utilisation of the system through the implementation of national opt-out arrangements as agreed by the Council of Australian Governments (COAG) Health Council on 24 March 2017.

This funding will support the expanded rollout of the opt-out model to all Australians, while also making it easier for health providers to register for the system. To date, the Australian Government has not provided any new information regarding how allied health providers will be supported to utilise the My Heath Record.

Practice Incentive payments

The Government will provide $2.5 million over four years from 2017-18 to modify the 2016-17 Budget measure titled Quality Improvement in General Practice — simplification of the Practice Incentive Program by maintaining the Indigenous health incentive and the procedural general practitioner payment in their current form and commencing the quality improvement incentive from 1 May 2018. The modified arrangements will ensure that the implementation of the quality improvement incentive does not affect care provided through Aboriginal Community Health Services and rural medical practices.
Development of strategies and frameworks

In 2017-18, the Department of Health will continue to focus on finalising a range of strategic documents and frameworks to guide activities going forward. These include:

- The revised Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan (2018–2023) to be released in 2018, including development of Domain Seven: the Social and Cultural Determinants of Health.

- A reporting framework for the National Strategic Framework for Chronic Conditions (the Framework) to guide the development and implementation of policies, strategies, actions and services to address chronic conditions and improve health outcomes.


The Australian Government has also asked the Productivity Commission to develop and implement a whole-of-government evaluation strategy for policies and programmes impacting on Aboriginal and Torres Strait Islander people, to be reported against by all Commonwealth agencies. Legislation allowing for a specialist Commissioner to lead this work will be put forward.

Investing in Australia’s health infrastructure

The Government will continue to own and operate the health and aged care payments system. The Government will invest $67.3 million to replace the outmoded IT systems supporting health, aged care and related veterans’ payments with a new digital payments platform, while ensuring the existing systems continue to operate reliably and effectively.
Supporting people who are blind or vision impaired

National Disability Insurance Scheme

The 2017-18 Federal Budget recognises the importance of ensuring the quality and safety of National Disability Insurance Scheme (NDIS) services through the establishment of the NDIS Quality and Safeguards Commission and of building a capable workforce to service NDIS participants, as well as ensuring there are appropriate work opportunities for all people with disability.

NDIS is fully funded beyond 2019

The Australian Government will increase the Medicare levy by half a percentage point from 2.0 to 2.5 per cent of taxable income from 1 July 2019 to ensure the National Disability Insurance Scheme (NDIS) is fully funded. Other tax rates that are linked to the top personal tax rate, such as the fringe benefits tax rate, will also be increased.

This measure is estimated to have a gain to tax revenue of $8.2 billion over the forward estimates. The Australian Government will use all revenue generated by the Medicare levy to support the NDIS and to guarantee Medicare. In particular, the Australian Government will credit $9.1 billion over the forward estimates to the NDIS Savings Fund Special Account when it is established.

Low-income earners will continue to receive relief from the Medicare levy through the low-income thresholds for singles, families, seniors and pensioners. The current exemptions from the Medicare levy will also remain in place.

NDIS quality and safeguarding

To ensure quality and safe services for all NDIS participants the Australian Government will establish a new independent Commonwealth body, the NDIS Quality and Safeguards Commission, which will implement the national NDIS Quality and Safeguarding Framework.

The Australian Government will provide $209 million over four years from 2017-18 to establish a new, national, independent regulatory body, the National Disability Insurance Scheme (NDIS) Quality and Safeguards Commission.

NDIS workforce

The Australian Government is committed to the long-term success of the NDIS and recognises this relies on a robust workforce able to deliver quality services and increased employment opportunities for people with disability. The Australian Government is investing $33 million to boost the Local Care Workforce to ensure NDIS participants receive quality services in their local area. This includes helping employers grow the care workforce with a particular focus on regional, rural and outer suburban communities.

Aged care

The Government continues to be committed to increasing choice in aged care by providing aged care consumers, their families and carers, greater choice, control and flexibility over their aged care needs. Over the next five years the Government will spend $99.3 billion to support aged care services.
The Government is working with the aged care sector and consumers to develop a single **aged care quality framework** that is intended to reduce the regulatory burden for providers, and focus more on quality of outcomes for consumers.

**Commonwealth Home Support Program**
The Government will provide $5.5 billion over two years from 2018-19 to extend the Commonwealth Home Support Program (CHSP) and Regional Assessment Services (RAS) funding arrangements. The CHSP and RAS contribute to essential home support services, such as meals (Meals on Wheels), personal care, nursing, domestic assistance, home maintenance, and community transport, to assist older people to keep living independently in their own home. Funding for these programs has already been included in the forward estimates.

**Aged care workforce**
The Government will provide $1.9 million over two years from 1 July 2017 to establish and support an **industry-led aged care workforce taskforce**. The taskforce will explore options to improve productivity in the aged care workforce and contribute to the development of an aged care workforce strategy, including for regional and remote areas. The cost of this measure will be met from within the existing resources of the Department of Health.

**My Aged Care platform**
The Australian Government will provide additional funding of $3.1 million for ICT support for the **My Aged Care platform**. Critical improvements in system performance and efficiency will help ensure timely access to aged care for older people, and enable information technology infrastructure to keep pace with the increased number of people using My Aged Care.

**Tighter residency eligibility requirements for Age Pension and Disability Support Pension**
The Government will achieve efficiencies of $119.1 million over five years from 2016-17 by revising the residency requirements for claimants of the **Age Pension** and the **Disability Support Pension (DSP)**. From 1 July 2018, claimants will be required to have 15 years of continuous Australian residence before being eligible to receive the Age Pension or DSP unless they have either:

- 10 years continuous Australian residence, with five years of this residence being during their working life (16 years of age to Age Pension age) or
- 10 years continuous Australian residence, without having received an activity tested income support payment for a cumulative period of five years.

Existing exemptions for DSP applicants who acquire their disability in Australia will continue to apply.

**Expanding flexible and residential care**
The Australian Government has committed to expanding access to restorative care interventions to improve wellbeing for older people through the **Short-Term Restorative Care Program**. New measures will provide flexible care options to meet the aged care needs of older people living in rural and remote communities, including
funding the delivery of culturally appropriate aged care for Aboriginal and Torres Strait Islander people close to where they live.

The Australian Government will also increase the number of residential aged care places available in the community by undertaking a competitive Aged Care Approvals Round.

**Continuity of Support Program**

The Commonwealth *Continuity of Support Program* continues to be implemented in a phased approach to support eligible older people with disability. The Social Services 2017-18 Portfolio Budget Statement indicates that the Department will commence implementation of the program in accordance with the agreed schedule with state and territory governments.

**Employment for people with disability**

**Disability Employment Services**

The Government will provide $24 million over four years from 2017-18 to implement a new framework and funding model for the *Disability Employment Services (DES)* program from 1 July 2018.

The new framework aims to improve the DES program performance by:

- Making it easier for DES participants to choose and change providers, with funding to follow participants;
- Providing greater incentives for providers to achieve employment outcomes for job seekers, including longer term employment outcomes and outcomes for those with significant employment barriers;
- Indexing provider payments from 1 July 2019 to ensure that cost increases for DES providers will not impact on the services they deliver to DES participants;
- Undertaking a trial to expand DES to a broader group of school leavers with less significant disability, to assist them to successfully transition from school to work.

**Education for students with disability**

From 2018, the Australian Government’s *Quality Schooling package* will establish fairer, needs-based school funding arrangements.

Additional funding provided in 2016 and 2017 is targeted at schools where the National Consistent Collection of Data on School Students with Disability indicates a funding need for students with disability.
Eye health and vision care in our region

Foreign aid

The **Official Development Assistance (ODA)** will increase slightly in 2017-18 and 2018-19 to $3.9 billion and $4.0 billion respectively. However, the Australian Government has announced that it will pause its commitment to grow the aid budget in line with the Consumer Price Index (CPI) resulting in $303.3 million of cuts in 2019-20 and 2020-21.

The Australian budgetary commitment to foreign aid will therefore hit a historic low over the forward estimates of just 0.22 per cent of Gross National Income (GNI). Given the consecutive cuts to the foreign aid budget over the last four years, the Australian Government is well below the internationally agreed 0.7 per cent target of ODA/GNI needed to achieve the sustainable development goals (SDGs) by 2030.

Indo-Pacific region is a priority

The **Indo-Pacific region** will remain the focus of the aid program, where over 90 per cent of Australia’s *bilateral and regional aid* will be invested. Allocations have been quite steady across the country programs as outlined by the Department of Foreign Affairs (DFAT).

Funding for the Pacific region and **Papua New Guinea** has been reduced, with aid for Papua New Guinea facing a modest decrease from $547.1 million to $546.3 million.

Funding for East Asia declines by $10 million from $892.9 million to $883 million, with aid to **Vietnam** facing further cuts this year, decreasing from $86.6 million to $84.2 million. **Cambodia’s** allocation is also further reduced, from $89.1 million to $87.4 million.

How health has fared within the aid budget

**Health** received a $22.4 million increase as a proportional spend of Australia’s aid budget, reaching $495.7 million in 2017-18. Approximately 31.8 percent has been allocated for the Pacific region, 10.9 per cent for South East and East Asia, 4.9 per cent for South and West Asia, 3.9 per cent for Africa and the Middle East, and 48.3 per cent for Global (includes core contributions to multilateral organisations).

Aid to *multilateral agencies* has increased by 35 per cent, largely due to Australia’s contributions to Global Health Programmes more than doubling. Contributions to United Nations agencies have largely held steady.

Humanitarian aid

The biggest winner in the context of this budget is Australia’s **humanitarian aid** which will receive a $60 million increase to total $399.7 million for those in need, particularly in the Indo-Pacific region. The Australian Government support will target the most vulnerable, with particular emphasis on women, girls, and people with a disability.

Spotlight on innovation, disability inclusive development and gender

The Australian Government acknowledged that innovation is essential to a modern and responsive aid program, and that **InnovationXchange** is delivering results. It will continue to partner with the private sector to further enhance and modernise the aid program, committing, similarly to last year, $50 million to the InnovationXchange within DFAT.
The funding for disability inclusive development will slightly decrease back to $12.9 million from $13.1 million in 2016-17 financial year. The Australian Aid Budget Summary 2017-18 provides additional information about the programs being supported by the Disability-Inclusive Development Fund.

The Government has placed gender equality and empowering women and girls at the heart of the aid program. In 2017-18 the Government will provide $55 million to the Gender Equity Fund, including $5.4 million for the Pacific Women Shaping Pacific Development initiative.

While the funding for the Australian NGO Cooperation Program (ANCP) increases by 2 per cent, reaching $129.3 million, this increase is below inflation, resulting in a reduction in real terms.

International research expenditure is unchanged, remaining at $8.4 million.
Other things to note

Indexation resumes for Pathology and Diagnostic Imaging

At a cost of $936.7 million over five years, the Australian Government will retain the bulk-billing incentives for Pathology and Diagnostic Imaging, including blood tests, x-rays, scans and pap smears. Further, indexation for targeted diagnostic imaging services including mammography, fluoroscopy, CT scans and interventional procedures will resume from 1 July 2020 for the first time since 2004.

Changes to listings on the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme

Following the advice of MSAC to date, the Australian Government will provide $16.4 million for new listings on the Medicare Benefits Schedule (MBS).

Measures will also be introduced to reduce the cost of medicines by $1.8 billion over five years to make medicines on the Pharmaceutical Benefits Scheme (PBS) more affordable.

Supporting Australia’s public hospitals

The 2017-18 Federal Budget has indicated that the Australian Government will deliver an additional $2.8 billion to public hospitals.

The Australian Government will also increase funding by $4.1 million over three years to the National Health Funding Body (NHFB) to support its existing role and new functions arising from the COAG agreement on public hospital funding. The NHFB, which is an independent statutory authority, supports the Administrator of the National Health Funding Pool in paying and distributing Commonwealth and State and Territory funding for public hospitals – responsible for around $40 billion a year.

Increased support for diabetes management

Fulfilling its 2016 election commitment, from 1 April 2017 the Government is providing $54 million over five years to subsidise access to continuous glucose monitoring technology for children and young adults under 21 years of age with insulin-dependent type 1 diabetes, and who face additional challenges in managing their diabetes and blood glucose levels.

Employment for Aboriginal and Torres Strait Islander people

The Australian Government’s 2017-18 Budget looks to drive jobs, growth and investment in the future of Aboriginal and Torres Strait Islander people by reducing barriers to employment and growing the Indigenous business sector.

The Government will be undertaking a consultation process on a new employment and participation model for remote Australia that will build on the success of the Community Development Programme (CDP). This will exclude the CDP from changes that are being announced to the jobactive programme in this Budget.