



Consumers
Health Forum
of Australia

**SUBMISSION TO FEDERAL TREASURER
FOR FEDERAL BUDGET 2016-17**

Putting People First in Healthcare

January 2016

Table of Contents

SUMMARY OF RECOMMENDATIONS	3
INTRODUCTION	6
PRIMARY HEALTH CARE	7
Challenge	7
Solution.....	9
PRIVATE HEALTH INSURANCE	9
Challenge	9
Solution.....	11
PREVENTIVE HEALTH AND INVESTING IN THE EARLY YEARS.....	11
Challenge	11
Solution.....	12
ORAL HEALTH	13
Challenge	13
Solution.....	14
OUT OF POCKET COSTS	14
Challenge	14
Solution.....	15
CONSUMER PARTICIPATION	15
Challenge	15
Solution.....	16
HEALTH FLEXIBLE FUNDS WITH A FOCUS ON HEALTH SYSTEM CAPACITY.....	17
Challenge	17
Solution.....	18

SUMMARY OF RECOMMENDATIONS

Primary Health Care

CHF calls on the Federal Government to reform primary health care to ensure it better meets the needs of people with complex and chronic conditions. The introduction of a 'health care home' particularly for people with complex and chronic conditions as well as families with children should be central to these changes. The first steps of this reform should be:

- Introduction of a system of voluntary enrolment and blended payments for primary health care through a series of large scale demonstration initiatives
- Provision of identified funding for improved care coordination services. .

CHF calls on the Federal Government to increase investment in primary health care with the first step the removal of the freeze on Medicare Benefits Schedule rebate for primary health care consultations and services.

CHF calls on the Federal Government to reverse the proposed \$57 billion cut from hospital funding over the next ten years alongside an examination with the States and Territories of where we can get most value from its restoration such as more sub-acute, transitional care other forms of hospital avoidance services.

CHF calls upon the Federal Government to provide additional funding for Primary Health Networks to introduce innovative regionally integrated stepped care arrangements with a focus on improvement in transitions of care and integrated services, and commission services to fill identified gaps in primary health care services for people with complex and chronic conditions.

Private Health Insurance

CHF calls on the Federal Government to implement reforms to improve the value of private health insurance, to individual consumers and to the health system. Specific measures should include:

- The creation of a suite of nationally standardised (or default), basic private health insurance packages for Hospital Cover (myCover). The features of these packages should be developed jointly with consumers, health insurers and private hospitals and would offer a range of services to fit different stages of the life course ;
- Making the Rebate available only for myCover packages, and reinvesting savings back into the public system;
- Limiting the Rebate on general cover to interventions that have a sound evidence base.

Preventive Health and the Early Years

CHF calls on the Federal Government to develop and resource a 10 year National Preventive Health Programme. Specific measures for 2016-17 should include:

- Introduction of a specific volume-based tax on sugary drinks
- Increase in the taxation of alcohol and a move to all alcohol being taxed according to alcohol volume
- Increase in taxation on tobacco
- Development of and funding for a national obesity strategy that looks at both diet and physical activity
- Development of a specific early childhood health, development and wellbeing programme.

Oral Health

CHF calls on the Federal Government to commit to a National Oral Health Plan.

Specific measures should include:

- Funding for prevention by addressing the causes of dental disease and increasing community awareness on oral health hygiene and eating habits
- Increased investment in public dental health for children and adults on low incomes

Out-of-Pocket Costs

CHF calls on the Federal Government to reverse its decisions to increase the co-payments for PBS and increase the PBS safety net thresholds which were announced in 2014 Budget.

Consumer Participation

CHF calls on the Federal Government to support

- A programme of action to ensure healthcare consumers participate in the planning and implementation phases of the broad health reform agenda including consumer leadership and expert patient initiatives
- Funding for greater consumer and community involvement in health technology assessment.

Health System Capacity Flexible Fund

CHF calls on the Federal Government to restore the \$793 million which was cut out of the Health flexible funds in the 2014 Budget. A large proportion of these funds need to be directed to health infrastructure to support the introduction of the outcomes of the various

health reforms. Specific measures should include:

- Areas of high need in the preventive health area including drug and alcohol services and obesity prevention programs
- Primary health care research and development, with a focus on innovation and translation research and a Consumer Health Research Centre similar to the UK's *Involve* initiative
- Workforce development programmes.

INTRODUCTION

Integrated and coherent health policy should start with the healthcare consumer and their needs. Wider policy must recognise the link between the nation's overall health status and productivity: an investment in healthcare is an investment in the health of the budget itself.

Prime Minister Turnbull's *National Innovation and Science Agenda* recognises that innovation is important to every sector of the economy and is essential to keeping Australia competitive.

But what of innovation in healthcare? 2016 could potentially see fundamental changes in the funding and delivery of healthcare. It is time to change the way we view consumers: less as 'users and choosers' and more as 'makers and shapers' of policy, research, system and service development. This Federal Budget submission puts forward suggestions from the Consumers Health Forum of Australia for how we can stimulate innovation in health care with a particular focus on how we should go about strengthening primary health care: the front line of care delivery for all Australians.

The challenge facing the framing of the health component of the Budget this year is illustrated by the numerous reviews looking to reform systemic failings and frailties. The gaps and dysfunction in our \$140 billion a year health arrangements are highlighted by the fact that there are five areas being looked at for reform and they cover pivotal aspects of health care and funding in Australia.

The areas under scrutiny range across the spectrum of health services:

- Primary Health Care Advisory Group examining models for improving care for people with complex and chronic conditions
- Medical Benefits Schedule Review Taskforce looking to modernise Medicare
- Review of Pharmacy Remuneration and Regulation
- Private Health Insurance Review
- Reform of Federation White Paper which will examine how all Australian governments can better structure administration and funding in health.

In addition the Government has announced a major reform agenda for mental health services following the recommendations of the review by the National Mental Health Commission, a major response to the ice epidemic, is implementing significant changes in the ehealth area by moving to make My HealthRecord an opt out model and has introduced structural changes to the way healthcare is planned and commissioned regionally with the establishment of Primary Health Networks (PHNs).

The Consumers Health Forum of Australia (CHF) is the national peak body representing consumers on national health issues. We have an interest in developing and promoting consumer-centred health system policy and practice to governments, stakeholders, providers and clinicians, and we aim to ensure that consumers are involved in influencing health system change and innovation.

CHF has welcomed the reviews and has participated in all of them. We welcome the fact that the reviews are into on-the-ground issues and note that they are all issues that consumers have consistently raised with us.

All of the reviews in their own context are needed and timely. Although some of the reviews have already reported and we know some are providing input into the Budget deliberations we have not had access to the recommendations. Our concern is that they have different timelines and we are looking for some reassurance through the Budget process and beyond that they fit together as a coherent whole and actually move us towards achieving a modern sustainable health system.

The set of initiatives we have outlined in this submission should be viewed as the first building blocks for the development of an integrated health policy and a coherent set of arrangements across our public-private health system. The priorities reflect in part the Government's review agenda and in part the issues flagged by consumers as needing urgent attention,

PRIMARY HEALTH CARE

Challenge

Sustainable and responsive health systems have strong, well organised primary health care services. Yet the current system of primary care is too fragmented and does not meet the needs of people with complex and chronic conditions. According to a new 2015 ten nation survey by the Commonwealth Fund which included the major developed countries including Australia, primary care doctors said that their practices struggle to coordinate care and communicate with other health and social service providers. Doctors also questioned their preparedness to care for patients with challenging issues such as dementia and mental illness.

Despite many years of focus, frameworks and funding in this space, a person with a chronic or complex health condition's ability to access quality, coordinated primary care services largely depends on where they live, their health and system literacy and the level of personal resources they are able to invest. In this context, it should be remembered that those with lower socio-economic profiles and those living in rural Australia have greater rates of chronic

disease and poorer access to services and infrastructure. For them in particular but Australians generally, persistently high out of pocket costs, the rise of the division between public and private systems, and lack of timely access to front-line health professionals in many regions means that no two people will have equally assessable experiences with the health system. This means that some fundamental inequities in access and health outcomes transpire. To ensure affordable, high quality health care particularly for those with complex and chronic conditions, we must build, not erode, our system of primary health care.

The key challenges are

- Increasing investment in primary health care to recognise the importance of a robust and well-resourced primary health in delivering better health outcomes and reducing pressure on other areas of the health system.
- Moving primary health care to a more consumer-centred model with services more responsive to individuals needs and delivered in a more flexible way.
- Moving to a more flexible funding model. The current fee for service funding model works well for people with episodic or acute health needs. It allows them to access the practitioner of their choice when and where they need to. It does not work well for people with complex and chronic needs and contributes to the fragmentation of care with few real incentives to coordinate that care. So one of the challenges is to develop a funding system that acknowledges that retains fee for service whilst also providing financial incentives for more tailored packages of care that are designed around the consumer's needs.
- Encouraging the development of a primary health care home. At the moment the system gives consumers choice but consumers frequently raise with CHF that this is often at the expense of having to coordinate their own care and work across the fragmented services system. Many consumers tell of frustration with having to navigate what is a very complex system and feeling on their own in this task.
- The need for strategies to overcome the current fragmentation of services and structures that will enable the disparate parts of healthcare to function as a system. In particular, we need to maximise the value and impact PHNs can have on transitional care and better joining up the system by working with their local hospital counterparts, by pooling resources to enable commissioners and integrated teams to use resources flexibly and innovating in the use of commissioning, contracting and payment mechanisms.
- Encouraging innovation in service delivery to fill gaps identified at the local and regional level. As we move to more consumer centred care the gaps in services will become clearer and this will vary across regions. In part this is a result of the fragmented health system and in part because of the different socio-economic profiles of those regions which affects the demand for services.

Solution

The Primary Health Care Advisory Group consulted widely on these issues and has made a number of recommendations to Government but that report has not been made public.

The Federal Government needs to reform primary health care to ensure it better meets the needs of people with complex and chronic conditions. The introduction of a 'health care home' particularly for people with complex and chronic conditions as well as families with children should be central to these changes. The first steps of this reform should be:

- Introduction of a system of voluntary enrolment and blended payments for primary health care through a series of large scale demonstration initiatives
- Provision of identified funding for improved care coordination services. .

There needs to be increased investment in primary health care with the first step the removal of the freeze on Medicare Benefits Schedule rebate for primary health care consultations and services.

The Federal Government should reverse the proposed \$57 billion cut from hospital funding over the next ten years and examine, in consultation with the States and Territories, where we can get most value from its restoration such as more sub-acute, transitional care other forms of hospital avoidance services.

In conjunction with the above proposed measure, additional funding for Primary Health Networks should be provided to introduce innovative, regionally integrated stepped care arrangements with a focus on improvement in transitions of care and integrated services, and to commission services to fill identified gaps in primary health care services for people with complex and chronic conditions.

PRIVATE HEALTH INSURANCE

Challenge

Australia has a public-private health system. Private health insurance (PHI) is a critical component of the Australian health care system: it is intended to assist with the costs of care in the private system, to support choice of private provider and to help take the pressure off public hospitals. Since 1996 Governments of all persuasions have supported private health insurance through a suite of measures to encourage consumers to maintain their health insurance cover; the tax rebate on premiums, the Medicare Surcharge Levy and most recently the addition of the Lifetime Health Cover rating.

These measures appear to have been successful with just under half of the population covered in 2015. However there is increasing scrutiny of the industry and concerns about whether it is delivering value for consumers or taxpayers. The main Government contribution is through the tax rebate on premiums and its effectiveness as a tool for encouraging participation is clear when the impact of the means testing of the rebate came into full effect. Insurers are reporting significant numbers of people either leaving or downgrading their policies in response to losing or having their tax rebate decreased and in the face of progressive premium increases in excess of CPI.¹

In its recent survey of consumers on PHI, CHF found that only 38 per cent of consumers expressed overall satisfaction with their policies. Consumers raised concerns about

- Affordability of PHI as premiums rise
- The number of policies and the growing complexity of the products available coupled with a lack of easily accessible information
- Growing out-of-pocket expenses associated with treatments where benefits have not kept pace with costs.

Consumers need

- Easy to access and understandable information about what their policy will and won't cover, and the associated fees,
- Clear, transparent, accessible and timely information about the *fees, performance* and *availability* of specialists and other providers to whom they are referred in order to make informed choices about their care – there's good evidence that putting patients in control of decision making in this way can assist with achieving better outcomes and reduced costs; and
- Clear communications about changes to their policies, and what these practically mean for them.

For the health system the main contribution of private health insurance is to reduce demand on the public hospital system and to help consumers pay for treatments and services that are not publicly funded such as dental care, again to reduce demand for these type of services to be publicly provided and funded.

One measure of whether or not private health insurance has been effective in reducing demand on private hospitals is to look at the waiting time for elective surgery in public hospitals. Whilst there are confounders like the increase in demand overall for elective surgery as the population increases and gets older, it does appear that rather than there being a decrease in waiting times they have actually increased overall with the increases in some specialities becoming quite significant².

¹ HIRMAA, Letter attached to Submission to Private Health Insurance Review 2015

² AIHW, 2014, *Australia's Health 2014*, p410

There is evidence that even when people have private insurance they don't use it or they use it to contribute to the cost of services delivered in a public hospital settings. This is exacerbated by the trend to policies with more exclusions as people try to reduce their premiums.

Solution

Private health insurance needs a major overhaul if it is to offer better value to individual consumers and to the health system. The ultimate goal of any reform package should be to ensure that the private health insurance market has a basic standard of certainty, comparability, and affordability that can be easily accessed by consumers who choose to have insurance while not disadvantaging consumers who do not. Our purpose is to protect the fundamental values of universal access that underpins the whole Australian health system while at the same time allowing for a competitive marketplace in which private health insurance can operate with appropriate consumer protections for market failure.

The Private Health Reform Package should include:

- The creation of a suite of nationally standardised (or default), basic private health insurance packages for Hospital Cover (*myCover*). The features of these packages should be developed jointly with consumers, health insurers and private hospitals and would offer a range of services to fit different stages of the life course.
- Making the Rebate available only for *myCover* packages, and reinvesting savings back into the public system.
- Limiting the Rebate on general cover to interventions that have a sound evidence base.

PREVENTIVE HEALTH AND INVESTING IN THE EARLY YEARS

Challenge

Chronic diseases are the greatest health challenge we face. They account for 83 per cent of premature deaths and 85 per cent of the burden of disease here and dealing with these costs the community \$27 billion and around a third of the national health budget³.

This is not a new problem and there have been some actions at the national level to address the issues through the national Chronic Disease Strategy and the work of the Preventative Health Taskforce. We know what needs to be done but what has been missing to date is a funded Action Plan with an emphasis on prevention as this will be the key to reducing the burden of such diseases into the future.

³ Prevention 1st at www.fare.org.au/prevention-1st

In acknowledgement of the problem in 2013 Australia adopted the World Health Organisation targets to prevent non-communicable diseases which include a commitment to reduce premature deaths from chronic disease by 25 per cent by 2025.

Action needs to focus on the four major risk factors of chronic disease to achieve the WHO targets of

- Reducing alcohol consumption by 10 per cent
- Reducing tobacco use by 30 per cent
- Reducing salt/sodium intake by 30 per cent
- Reducing physical inactivity by 10 per cent.

Experts agree that we need government-supported national preventive health campaigns to reduce the burden of chronic disease. There is also a clear expectation from consumers that the Government should provide some leadership on these issues as shown in the CHF survey in 2015 on obesity when 64 per cent of respondents indicated that they thought Government should take more action to discourage unhealthy diets, particularly amongst children⁴. From the success we have had in reducing tobacco use in Australia, although there is still a need for more action there, we know that Government actions can be effective.

The tobacco experience also shows that we need a multi-faceted approach which includes

- Education and information for consumers about the risks and how they can modify their own behaviour
- Regulation governing packaging, labelling, advertising and where certain products can be bought and consumed
- Price signals through changes to the tax system that encourage consumers to reduce consumption of harmful products overall and move to consumption of products with less sugar and alcohol as they would be comparatively cheaper.

In addition to targeting the risk factors for chronic disease, we also need to ensure that all Australian children get a healthy start to life. It is well known that getting a good start to life, building resilience and getting maximum benefit from education throughout childhood are important markers for good health and wellbeing throughout life. Investment in early years programmes have been shown to prevent many conditions, including mental health conditions, and can reduce health inequalities throughout life.

Solution

There needs to be a 10 year National Preventive Health Plan designed to ensure that

4

Australia does achieve the WHO targets by 2025. Given the long lead times for prevention actions to result in health status it is imperative that action is taken now to maximise their impact. The plan needs to have real action, real targets and real money if it is to be effective.

The first steps in that Plan should be

- Introduction of a specific volume based tax on sugary drinks
- Increase in the taxation of alcohol and a move to all alcohol being taxed according to alcohol volume
- Increase in the tax on tobacco
- Development of and funding for a national obesity strategy that looks at both diet and physical activity and includes regulation on changing the formulation of processed foods to reduce salt and sugar
- Fund PHNs to support the implementation of a Healthy Child Programme with locally tailored, evidence based inclusions linked to primary health care services such as positive parenting, childhood obesity prevention and nurse home visiting initiatives.

ORAL HEALTH

Challenge

Good oral health contributes positively to physical mental and social wellbeing and allows people to lead productive and meaningful lives whilst poor oral health had significant negative impacts on health, self-esteem and wellbeing. This is why CHF had and continues to advocate that dental health care should be included in Medicare.

Oral health and dental care are not included in Medicare despite a significant and growing body of evidence that shows the positive relationship between oral health and overall health status. Because there is no universal coverage and the vast majority of oral health and dental care services are provided in the private sector on a fee for service basis access to oral health care is inequitable distributed in Australia and oral health status shows one of the worst disparities in the Australian health system. Nearly one in three consumers avoids dental treatment due to cost issues and that figure rises to nearly half for concession card holders.⁵

There is inadequate attention to investing in prevention, in addressing the causes of dental disease and in fostering stronger community attention to oral health hygiene and eating habits.

⁵ National Advisory Council on Dental Health (2012) *Report of the National Advisory Council on Dental Health*. Department of Health and Ageing: Canberra

It appears that Government, both Commonwealth and State/Territory, support for quality oral health services has gone backwards over the last 2-3 years with public waiting lists for dental care blowing out and no national oral health care plan in place to address the broader issues around prevention and oral healthcare.

Solution

In the absence of a decision to include oral health in Medicare CHF calls upon the Federal Government to commit to a National Oral Health Plan. As a minimum this plan would include:

- Funding for prevention by addressing the causes of dental disease and increasing community awareness on oral health hygiene and eating habits
- Increased investment in public dental health for children and adults on low incomes

OUT OF POCKET COSTS

Challenge

Australians face some of the highest out of pocket expenses in the OECD and they account for over 17 per cent of health expenditure⁶. This is despite the existence of the universal insurance cover provided by Medicare, the subsidised medicines provided under the Pharmaceutical Benefits Scheme and that close to half of the population have private health insurance which helps meet the cost of private treatment.

In the 2014 Budget the Government proposed to increase the PBS co-payments and increase the number of prescriptions required before the safety net came into effect for both concessional and general patients. CHF has consistently opposed these measures, publicly and in our submission to the Senate Inquiry into the proposal.

CHF's commissioned research on out-of-pocket costs highlights many of the complex and negative aspects of co-payments in health care. It raises concerns that that rising out of pocket expenses for both medical services and medicines are already deterring people from seeking treatment and getting the medicines that they are prescribed. The AIHW data shows around 10 per cent of people either delay going to a GP or put the visit off completely. Similar proportions either delay getting prescriptions or don't get them filled at all. Clearly there is a price signal already at work here and any increase in the price is likely to make it more difficult for people to access medicines.

The Minister for Health has indicated that she is not actively pursuing these proposals

⁶ CHF 2014, *Empty Pockets: Why Copayments are not the solution* p1

because of opposition in the Senate but she is not prepared to take them off the table and so remove the savings they generate from the forward estimates.

Solution

CHF has strongly opposed policies that increase consumer out-of-pocket costs through the imposition of new or increased co-payments.

CHF calls on the Federal Government to reverse its decisions to increase the co-payments for PBS and increase the PBS safety net thresholds which were announced in 2014 Budget.

CONSUMER PARTICIPATION

Challenge

The goal of all health reform must be to improve the health and wellbeing of consumers and the reform process needs to involve consumers at all stages of the process. The Minister for Health has said on many occasions that consumers are the experts on how the system works for them and the reviews she has instigated all put an emphasis on the need to consult with consumers. Whilst this is welcome we believe that for the health reform agenda to be successful consumer participation needs to go beyond consultation to a process of active engagement of consumers at all stages of the reform process and that they truly become partners in care.

To ensure consumers can participate we need more investment in consumer health literacy and empowerment and these should be seen as central to the reform agenda rather than as optional extras. These are areas where Australia has shown little progress in advancing on a national basis. It is an area where there needs to be some leadership from the federal government working with States and Territories as there is a shared responsibility for delivering the best possible health outcomes.

A national report on health literacy agreed by Health Ministers last year states that the complexity of the health system is challenging for everyone, contributes to poor quality and unsafe care, and may be associated with 3 to 5 per cent extra cost to the health system. It says only 40 per cent of adults have the health literacy to meet the demands of everyday life.

CHF has found that the biggest drivers of complaints and dissatisfaction with the health system is almost always that consumers feel they aren't being respected as individuals, and partners, in their own health care decision-making.

The Australian Commission on Safety and Quality in Health Care has done some work on the importance of health literacy in driving safety and quality and health care. The National Safety and Quality Health Service Standards put the patient at the centre of the quality system and stress the end for consumers to be actively engaged in delivery of health services

We need to invest more in consumers as leaders and to recognise that they are agents for change as much as clinicians and other stakeholders in the health sector. There needs to be a national program to encourage consumers to become leaders and to assist them to work within their communities to build an understanding of how their health system works. A larger pool of health literate and empowered consumers would make it easier for those working on the design and implementation of new services to ensure that what is developed works for the people it is supposed to be assisting.

In the United Kingdom expert patient programmes are a central element of their chronic disease management policy. It is designed to give people the skills to better understand their condition and how to manage it, thus reducing demand on the health system. Given the heavy burden of chronic disease in Australia, discussed earlier in this submission there is scope for such a program to be rolled out nationally.

The other area which needs specific funding is in consumer involvement in health technology assessment and looking at how new medicines or medical services and medical devices get listed for government subsidy. This has been highlighted by the work of the MBS Review Taskforce but CHF has raised the need for more systematic consumer engagement in both Pharmaceutical Benefits Advisory Committee and Medical Services Advisory Committee processes consistently over a number of years.

Australia lags behind many other jurisdictions on this issue, most notably what the Scottish Medicines Consortium and the National Institute for Health and Care Excellence (NICE) in the UK do. Their models both include support for consumers to be engaged in the process as well as explicitly including the end for consumer input into the assessment process. CHF has been advocating for many years that there should be funding for systematic consumer input into both processes and did receive some funding to ensure consumer involvement in the MSAC processes for a short period but that process has not been continued.

Solution

CHF calls upon the Federal Government to provide adequate funding to ensure consumers can participate in the planning and implementation phases of the broad health reform agenda. Specific measures would include investment in

- Consumer health literacy resources
- A consumer leadership development programme;

- Development of a national expert patient program for people with chronic diseases
- A systematic approach to consumer and community involvement in health technology assessment.

HEALTH FLEXIBLE FUNDS WITH A FOCUS ON HEALTH SYSTEM CAPACITY

Challenge

The non- government sector has been one of the drivers of innovation in the design and delivery of a wide range of health services. It is agile and has been able to mobilise quickly to test new models of delivery and has been successful in working with often hard to reach groups in the community in a way that public health services have not. There has been a partnership model with Government which has, over the years, delivered good health outcomes.

The moves to amalgamate individual funding programs into the Flexible Fund was welcomed by the non-government sector as it promised to further encourage innovation and allow cross program and cross issue work that was not possible before.

CHF joined with others in expressing concern when the cuts to the fund were announced as this was seen as a significant cut to the capacity of the non-government sector to provide much needed services, often to marginalised groups.

Equally important in the current reform environment is the need for the implementation of government responses to key reviews underway in primary health care, MBS, pharmacy and private health insurance need to be underpinned by investments in critical health system infrastructure. A failure to invest in this area will put at risk the extent to which new approaches to healthcare can be sustained and spread.

The Commonwealth Fund has pointed to several barriers to the sustainability and spread of successful care models particularly for people with complex and chronic conditions including lack of incentives to provide care coordination and support services under fee-for-service payments; stress on primary care and limited capacity to implement care management models despite the logic of doing so in this setting; professional uncertainty and lack of training and skills to take up new models adopt a patient-centred paradigm and change the culture; inadequate electronic health records systems; and difficulty scaling up from single site or single condition services or pilots to more system wide implementation to multiple contexts and chronic conditions.

An investment in better knowledge and knowledge exchange is also key to how we go about

strengthening health systems, made all the more powerful if this knowledge is informed by what matters most about healthcare for consumers. Many other countries have recognised the ways that health and medical research can involve consumers. Involving consumers not just as research subjects but as active participants in all stages of the research process is essential in improving the relevance, impact and quality of health research.

Solution

CHF calls upon the Federal Government to restore the \$793 million which was cut out of the Health Flexible funds in the 2014 Budget. These funds need to be directed to areas of high need in the preventive health area including drug and alcohol services and obesity programs, as well as primary health care research and development, workforce development programs. In particular, CHF calls on Flexible Funds being dedicated to health system capacity development in the following areas:

- Consumer participation and engagement strategies as outlined above
- Primary health care research and development, with a focus on innovation and translation research and a Consumer Health Research Centre similar to the UK's *Involve* initiative
- Workforce development programmes.