



Hospitals to go under PM's knife

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Kevin Rudd and the States will set up a new national watchdog to scrutinise Australia's hospitals under a plan to fix the health system that stops short of a full Federal takeover.

The *West Australian* understands bureaucrats are working on the \$4 billion proposal, which could be announced within weeks and funded in the May Budget.

The Prime Minister promised in a speech on Sunday to make 2010 a year of major health reform and reining in costs, warning the growth in health-care spending threatened to overwhelm State budgets.

Despite Mr Rudd making an end to the health blame game a key 2007 election issue, including threatening to hold a referendum for a Federal takeover of public hospitals if they did not improve, the pace of reform has been slow.

Mr Rudd has promised to put spe-

cific proposals to State leaders in the first half year of 2010, a year later than his original deadline to consider a takeover.

Under the plan now being developed, it is expected a joint Commonwealth-States body will be created to oversee hospitals. The performances of hospitals will be judged on key performance indicators, allowing bureaucrats to analyse which ones are working well and which are lagging in efficiency and patient safety.

Part of the \$4 billion in funding is also expected to include a big pot of cash for electronic health records, which the Government sees as a key way to cut costs and reduce life-threatening medical blunders.

The National Health and Hospitals Reform Commission, set up by Mr Rudd to much of do the policy grunt work, recommended the Commonwealth take full responsibility for run-

ning and funding primary health care, basic dental care and aged care, and pay the States for the number and types of procedures performed in public hospitals instead of giving them block grants.

A spokeswoman for Health Minister Nicola Roxon last night declined to comment on the proposal now being prepared.

"The Government is considering the commission's reform recommendations and will respond in the near future," she said.

The new national body would be in keeping with the Rudd Government's moves to assume an overarching coordinating role on key health issues.

The Government has already established Health Workforce Australia to work with universities, medical colleges, regulators and hospitals to better train doctors and nurses and plug skills gaps.