In April 2015 Federal Minister for Health, the Honorable Sussan Ley announced the establishment of the Primary Health Care Advisory Group (PHCAG) as part of the Healthier Medicare initiative. The group was tasked with providing the Commonwealth Government options to reform the primary healthcare system.

It was chaired by Dr Steve Hambleton, a practising General Practitioner and the immediate past President of the AMA. Membership was comprised of clinicians including GPs, nurses and allied health practitioners, consumer and carer representatives, a state health administrator and a representative of the private health insurance industry. They were appointed for their individual expertise and also as representatives of their craft group or industry.

The group met face-to-face on five occasions between June and November 2015. The discussion began around the case for reform and quickly focused on the structural impediments to the care of people with chronic and complex conditions and co-morbidities, and the emerging international literature about better models of care, particularly the idea of the Health Care Home (HCH).

It was made clear that the federal government was keen to explore different models of care of this group for patients in primary care with new funding and insurance models as a corollary.

The expressed underlying concern related to the structural patchiness of the Australian healthcare system and there was no implicit criticism of healthcare professionals.

The PHCAG established four key discussion themes:

• effective and appropriate care for people with chronic and complex conditions;
• system integration and improvement;
• payment mechanisms to support a better primary healthcare system, and
• measuring the achievement of outcomes.

The discussion around “effective and appropriate care for people with chronic and complex conditions” began with a careful dissection of the characteristics of the target group and evidence-based models of risk stratification according to complexity of needs and type of care that they required. The point was to clearly identify those patients for whom it was not only clinically possible to manage in a primary care setting but whose care was likely to be substantially improved. Clearly, avoidable hospital admissions were a major driver of that discussion but better outcomes for patients was the guiding principle.

The outcome was that the advisory group agreed that the ‘Home’ had real potential to improve the care of this patient group in General Practice as long as it was adequately supported by new funding models and other relevant structural reforms in the rest of the Australian healthcare system. Accordingly, in the final report, the advisory group recommended that Health Care Homes should be established in Australia.

‘Homes’ will be established in willing General Practices with new funding models to allow GPs, supported by an enhanced team to care for an identified subset of patients whose medical conditions would be better managed this way. It would run alongside the usual episodic care of the majority of patients in the fee-for-service model.

It was quite clear that the Commonwealth’s vision is that the ‘Home’ is an enhanced service provided within the current structure of General Practice, to a small subset of carefully selected patients. That is, it will run in parallel to normal fee-for-service operations but funded through a distinct set of payments.