Changes to Health System Governance

Changes to the Health Care Act 2008

From 1 July 2019, amendments to the Health Care Act 2008 come into effect to decentralise governance for the public health system through the establishment of Local Health Network (LHN) Governing Boards responsible for oversight of local service delivery.

Health Care Act 2008

The Health Care Act 2008 provides for the management and administration of the South Australian public health system. Amongst other things, the Act sets out the role and functions of the Minister and Chief Executive, as well as the functions and powers of Local Health Networks (referred to as ‘incorporated hospitals’).

To support progression of the Government’s priority to reform governance of the health system through devolving accountability for local service delivery to LHN Governing Boards, the Health Care (Governance) Amendment Act 2018 was passed by Parliament on 29 July 2018. The Amendment Act provisions come into effect within the Health Care Act 2008 on 1 July 2019.

Changes to the Health Care Act 2008 from 1 July 2019

From 1 July 2019, key changes to the Act that come into effect include:

- an additional principle for health services to be provided as part of an integrated system which, in addition to a range of other things, ‘achieves an effective balance between local decision-making in relation to incorporated hospitals and health system-planning, integration and management’

- amendments to the Chief Executive’s functions to remove responsibility for the direct administration of LHNs (incorporated hospitals); and adding a new function for the Chief Executive ‘to contribute to and implement statewide service plans that apply to incorporated hospitals’

- provisions to establish LHN Governing Boards, including setting out the functions of the boards, membership composition requirements, conflict of interest management, and ability of the board to appoint (following consultation with the Chief Executive, Department for Health and Wellbeing) the LHN Chief Executive Officer

- requirements for each Governing Board to engage with, and develop engagement strategies for, clinicians, consumers and communities

- provisions to allow the Minister to appoint Governing Board Chairpersons, and a range of other provisions in relation to board members, and board operations

- where the Minister has concerns about the performance of a governing board or LHN, the amendments provide that the Minister may appoint an adviser to the board. Provisions are also included about the dismissal of a governing board where the Minister is satisfied that the board has failed to perform its functions effectively, or comply with the requirements of the Act, or a direction issued by the Minister or Chief Executive.

For more information:

www.sahealth.sa.gov.au/GovernanceReform
HealthGovernanceReform@sa.gov.au

© Department for Health and Wellbeing, Government of South Australia. All rights reserved.
Updated June 2019