

National Drug Council publishes report on how resources are and could be allocated to treatment services

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A report published today reviews the published literature and research on resource allocation principles and methods in health care. The research was conducted by Siggins Miller on behalf of the Australian National Council on Drugs, the principal advisory body to the Australian Government on drug and alcohol issues.

The report titled “[Allocation of Resources to Alcohol, Tobacco and Other Drug and Alcohol Services](#)” reflects a variety of approaches to questions of policy and strategy. For example:

- Should government fund or subsidise certain services? Issues of safety, efficacy, effectiveness, and cost-effectiveness are relevant here, and analytic tools have been developed to address them.
- What is the best way to allocate available resources across different geographical regions (a critical question for Australia)? The literature on this aspect of resource allocation approaches is relatively well developed for general health services, but relatively undeveloped for ATOD services.
- What is the most effective way to allocate funds to specific services within a region or a state?

The report deals with the following topics:

- Principles of resource allocation
- Deciding which interventions will be supported
- Allocating resources across regions, and existing methods for allocating resources to regions
- Allocating resources within regions
- Resource allocation to alcohol and drug services
- Indicators of need for ATOD-specific services
- Developing local systems of effective treatment
- Options for developing a resource allocation formula for ATOD services in Australia.

The report is available from the Australian National Council on Drugs and can be downloaded from its website on www.ancd.org.au/publications

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Key Messages

Principles of Allocation

- Decisions regarding allocation of funding should be transparent, open to debate, based on principles of fairness and equity and based on need.
- Attributes of equity include equal opportunity to access services, a high standard of service for everyone, and unequal distribution of services to meet unequal need.
- When decisions are based on up-to-date information about problems and the most effective means of addressing them, it is possible to make rational judgments about the impact of current policy, reasons underlying the success or failure of various strategies, and possible future directions.
- Links are needed between outcomes research, priority setting, and resource allocation.
- Research evidence is needed not only to reduce risk, but also to increase resilience by addressing the social, economic and physical factors that lead to AOD use.
- When resource allocation is based on assessment of need, and the assessment is grounded in research into specific issues to bring about change, interventions are more likely to be effective, their impact will be understood, and developments will follow a logical progression.
- Stakeholders should participate in decisions, and the processes involved in making decisions should be publicly available.
- The rationales for priority setting must be relevant to the context, open to revision or appeal, and reflect a consensus of stakeholder and expert views.
- Resource allocation formulas should display technical robustness, minimise unintended incentives, be comprehensive, transparent and objective, responsive to the population effect of any changes, use reliable up-to-date data, and be stable and durable.
- Resource allocation formulas develop over time; and changes made on the basis of new formulas should be systematic and gradual.

Deciding which types of intervention are to be supported

- Formal processes for assessing interventions other than pharmaceuticals and new technology approaches are not well developed.
- Assessments need to consider the relative cost-effectiveness of intervention.

Allocating resources across regions

- To achieve geographical equity, resources should be matched to the relative needs of populations.
- Formulas for determining allocation of resources to regions typically include one or more of the factors, regional population size, variation in the relative level of need in different regions, and variation in the cost of providing services to different regions.

Allocating resources to specific services within regions

- Allocation of funds within regions should be output-based

Technical issues in allocating resources for ATOD-specific treatments to regions

- Any formula for determining the allocation of resources needs take into account the size of the population, the relative level of need across different regions, and the relative cost of providing services to different regions.
- The summary data used in determining the level of need for ATOD-specific services across regions typically include demographic characteristics of communities as well as social and economic correlates of substance abuse (social indicators).
- Recent studies discussing the potential and limitations of different types of data sources for developing indicators of need for AOD treatment services suggest that multiple measures in composites and profiles are more likely to reveal a complete picture of area needs for substance use treatment.
- Resource allocation models account for distributing AOD funds to regions.

The ANCD is the principal advisory body to Government on drug and alcohol issues.