GOVERNMENT OF WESTERN AUSTRALIA

Sustainable Health Review

Public Submission Cover Sheet

Please complete this sheet and submit with any attachments to the Sustainable Health Review Secretariat

Your Personal Details ***This information will be used only for contacting you in relation to this submission***	
Title	Mr ☐ Miss ☐ Mrs ☐ Ms ☐ Dr ☐ Other X☐ Chairperson
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Publication of Submissions

Please note all Public Submissions will be published unless otherwise selected below

☐ I do not want my submission published

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Submission Guidance

You are encouraged to address the following question:

In the context of the Sustainable Health Review Terms of Reference listed below, what is needed to develop a more sustainable, patient centred health system in WA?

- Leveraging existing investment in Primary, Secondary and Tertiary healthcare, as well as new initiatives to improve patient centred service delivery, pathways and transition;
- The mix of services provided across the system, including gaps in service provision, sub-acute, step-down, community and other out-of-hospital services across WA to deliver care in the most appropriate setting and to maximise health outcomes and value to the public;
- Ways to encourage and drive digital innovation, the use of new technology, research and data to support patient centred care and improved performance;
- Opportunities to drive partnerships across sectors and all levels of government to reduce duplication and to deliver integrated and coordinated care;
- Ways to drive improvements in safety and quality for patients, value and financial sustainability, including cost drivers, allocative and technical efficiencies;
- The key enablers of new efficiencies and change, including, research, productivity, teaching and training, culture, leadership development, procurement and improved performance monitoring;
- Any further opportunities concerning patient centred service delivery and the sustainability of the WA health system.

Sustainable Health Review
Submission from Royal Perth Hospital Clinical Staff Association

We are grateful for the opportunity to have input into this important initiative.

Background:
The 2004 Reid Review is an outdated document based on very different circumstances to what we now have in Perth and a philosophy that has been shown to be undeliverable, excessively expensive and possibly unsafe. A central tenant of this review was to reduce expensive tertiary care in favour of cheaper secondary care. Data that has informed Activity Based Funding in Australia has proven this to be false. Extensive costings studies and work by the Independent Hospital Pricing Authority have demonstrated that the differences in costs between secondary and tertiary facilities around Australia were minimal once accounting for complexities in performed activity. More recently there is some evidence that some secondary care facilities are actually more expensive than tertiary facilities once adjusted for complexity. This has occurred in both in the public and publicly contracted private domains.

Economies of scale are required to run continuously available specialised services efficiently. The situation we have in Perth now is that the secondary sector hospitals have been configured with some elements of tertiary like services. For example, fully capable Intensive Care Units are now available in most secondary hospitals. These services are expensive to run and may lack to economies of scale and activity to warrant this level of service. Our members are also aware of some generous financial arrangements in a variety of settings to encourage staff to work in some secondary sector locations, which have the potential to exaggerate the financial burden associated with the provision of services.

We attach the last publicly available data which covers the period between 2011-12 to 2013-2014 (available at http://www.myhospitals.gov.au/our-reports/cost-of-acute-admitted-patients/april-2016/report) that demonstrates that secondary hospitals were the most expensive hospitals in the State of WA and among the most expensive nationally. Because of these nationally performed analyses, that began over 10 years ago, the previous National Health Reform agreement mandated the formation of Local Hospital Networks to combine tertiary and secondary hospitals into functioning units. This occurred in most other parts of Australia about 7 years ago. Western Australia only managed to do this in July of last year.

There are concerns amongst members regarding several of the existing private-public partnerships. Unfortunately their data appears to be excluded from publically available data. The lack of transparency because of the existence of commercial in confidence contracts, it is not possible to demonstrate to what degree these arrangements are in the public interest.

The population of the Perth Eastern Metropolitan region is rapidly expanding. The region is notable for a highly variable socio-economic mix, but includes some of the most socially deprived sub-regions in Western Australia. Such individuals often have complex health needs and have no option but publicly available health services. Despite the lack of access to alternatives there is some evidence of decreased provision of health services. Ensuring the regional health services are comprehensively configured to delivered integrated care is essential in our view. Integrated care is both efficient and patient centred, delivering evidence based care to the most vulnerable. RPH is ideally situated to provide care to our region with exceptional road and rail links. We believe it is essential that RPH is configured to deliver the necessary activity for the patients within our region. This is important not just for admitted patients, but for ambulatory care. Many of the patients to be seen at RPH clinics are compromised by long periods of waiting time due to inadequate resources.

There are some services that are essential for the modern tertiary hospital. It seems inexplicable that a nearly 500 bed hospital does not have either stroke or oncology units, despite the clear evidence of the need for such units for the people of the Eastern Metropolitan region. Also, the provision of psychiatric services to acutely unwell inpatients is far from ideal.

There is a problem in the capacity of the WA health system. The evidence for this is clear and reinforced by truly shocking ambulance ramping statistics in recent years. Our state has the lowest numbers of beds per capita and diminished service activity in many areas of medicine. Running hospitals at close to 100% bed occupancy does not lead to more efficient and cheaper care – and this supported by evidence. There is also marked variability in the provision of different types of clinical services and to specific geographical areas. The way to address this to support RPH to deliver effective and efficient services to our region, by increasing the capacity of RPH (with over 100 vacant closed beds on our site) and its configuration of services in both inpatient and ambulatory care. This also makes financial sense – in the context of RPH's tertiary leading cost efficiency for service delivery.

We make the following suggestions:

1. Allocation of new activity should consider the efficiency of the current providers and be assigned to those with the best quality and safety, patient experience AND financial outcomes.
2. Allocation activity ought to equitable across the health services – to ensure similar levels of resources are available to provide care to consumers within their regions.
3. Reallocation of high cost services between secondary and tertiary sectors be considered.
4. Fully Integrated care models be delivered within Local Hospital Networks associated with Primary Health Networks
5. Transparency of efficiency and costs be provided across the system including publicly contracted private services.
6. The Budget for Teaching Training and Research to made more transparent and prioritised across the system with clear accountability.
7. Tertiary Service configuration of RPH be expanded to include the reestablishment of integrated cancer care for high volume cancers – as per 2015 Cancer Taskforce report. The recommissioning of the stroke unit at RPH is a priority. An increase in psychiatric services for RPH to that of a tertiary facility.
8. Capacity issues in the system are addressed and best practice bed occupancy targets (eg 90-92%) put in place. These will promote financial and care efficiency and place our system on a more sustainable footing.

Thank you for the opportunity to make this submission. If there is a need for any clarity on these points we would be very happy to assist.

Sincerely,

Executive Committee
Royal Perth Hospital Clinical Staff Association

October 2017