

**Submission
No 142**

**THE SAFETY AND QUALITY OF HEALTH SERVICES PROVIDED BY NORTHERN
BEACHES HOSPITAL**

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Partially
Confidential

Item 1 of the terms of reference includes reviewing the annual reporting information made by the Northern Beaches Hospital (NBH). My submission relates to the question of excessive and medically unnecessary charges being raised by NBH.

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Amongst other matters, I was formerly a compliance officer in Medicare, PBS and High Cost drugs for the Commonwealth and participated in research into identifying money leakage in State hospitals and aged care centres. This experience raised in my mind the question of excessive costs.

The question in my submission is: does NSW review financial funds claims by NBH, and other hospitals generally, for financial leakage, that is unnecessary claims for money for medical or hospital services that need not be provided, were not provided or were exaggerated in the size of the charge made. Obviously identifying individual instances of unnecessary claims are difficult to identify and action but a pattern of routine excessive charges should be easily identifiable with modern data analysis.

In my type of case: how many patient-days are claimed where the patient has no outcome by the hospital? How often are fund claims made for patients discharged late in the day rather than in the morning? In my particular case:

a) I had 8 days of in-patient care without resolution of the existing problem by NBH. On day 1 at RNSH necessary treatment was identified and scheduled for two surgical procedures and no drainage. This suggests that I should have been referred-on by NBH on day 1. Doing so would have resulted in my better medical care and reduced State funding charges by 7 patient-days.

b) RNSH has an internal procedure and goal to discharge patients from wards by mid-morning. At NBH, I was discharged the first time from the ward in the mid-afternoon though it was decided that I could be discharged in the early morning. The second time, I was discharged at 10.30pm evening though it was decided I was to be transferred to another hospital the evening before. Hence at least two in-patient days being charged unnecessarily for late release from the ward. If the process of late discharge is common practice at NBH then how much are the excessive funds being claimed. Similar questions could be raised about private patients.



The oddity of the contract which established the Hospital was also mentioned. As I understand it, public patient care was to be paid for in part by the Hospital from private patient charges; and any changes to the Government-Hospital owner agreement would necessitate ensuring predicted profits would still be fulfilled or paid for in compensation. An unexplained situation.

Any changes to the contract would need to clearly identify the business output of the Hospital; that is, is management of the hospital a good administrator, what is its cost-benefit rating, how medically safe are its services, and similar questions dealing with the cost and output of the Hospital.

To help establish the true value of the services provided by Northern Beaches Hospital and hence the validity of any projected profits, a comparison needs to be made for cost-of-services as well as cost-of-(successful)-treatment. There are differences between these or other parameters that could be used for measuring the value of the Hospital and its current administration.

For example, in my own case I had seven days of in-patient care by Northern Beaches Hospital as an Accident & Emergency patient. The Hospital provided pain relief and repeated medical imaging but it was only when I attended Royal North Shore Hospital that my injuries were treated by multiple surgeries. Hence NBH had seven days of charges but no outcome for the patient's well being. I understand that I am not a unique case. Likewise the Hospital seems to discharge ward patient in an administratively willy-nilly manner: patients ready to be discharged in the early morning only leave in the afternoon or evening. Hence extra charges for no medical reason. Yet other NSW hospitals have as management goal to discharge ward patients in the morning and so opening the ward bed for another patient.

I do not know the current capabilities, but in the late 1990s and early 2000s, Federal Health had an advanced data analysis unit. It was at the beginning of machine learning, the precursor to AI (artificial intelligence) and the team applied it to analysis to multi-million lines of billing data to identify oddities in costs and subsequently medical services. The unit also provided advice and testing of data samples from other Federal programs as well as State health programs.

I would assume that with the lower cost of computing, advances in AI and experience in big-data analysis, NSW Health or Treasury has such expertise and capability.

Because Northern Beaches Hospital has a major private patient component, State costs and well as Federal costs would need to be combined to obtain a clear understanding of the Hospital's activities and consequently its fiscal value. Combining State and Federal costs and services generated by hospitals and its subsequent analysis would have great advantages to both levels of government. Using Northern Beaches Hospital and other same

category NSW hospitals for comparison would provide a functional test of the program for measuring Australia's health costs, if not health care as well.

The analysis would also provide the NSW Government with a way of measuring the value and service of Northern Beaches Hospital. It would also provide the Government with data similar to that held by NBH Administration, which I assume is not available to the Government. Knowing how good or bad NBH is compared to similar hospitals would help provide the necessary leverage in any negotiated cost/benefit predictions.