



4 DEC 2002

THE CABINET OFFICE
NEW SOUTH WALES

The Honourable Michael Egan MLC
Treasurer, Minister for State Development and Vice-President of the Executive
Council
Level 33 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Treasurer

I refer to your request of 4 October 2002 that The Cabinet Office coordinate a response on behalf of the Government to the final report of the General Purpose Standing Committee No. 2 into *Quality of Care for Public Patients and Value for Money in Major Non-Metropolitan Hospitals in New South Wales*.

On the basis of advice from NSW Health, I offer the following responses to the recommendations of the Committee's final report.

Recommendation 1: That NSW Health and Mayne Health meet to discuss the implementation of the Four Point Plan so as to encourage greater transparency and improved communication between Port Macquarie Base Hospital and the community it serves.

While the Committee's inquiry was underway, NSW Health and the management of the Port Macquarie Base Hospital agreed a Four Point Plan that was welcomed by the Committee and acknowledged in the Chair's foreword to the final report as addressing some of the concerns the Committee had when the inquiry began. Under this Four Point Plan, the Chief Executive Officer of the Mid North Coast Area Health Service is required to ensure communication between the hospital and its community.

Since the implementation of the Four Point Plan a high level of transparency and communication with the community has been achieved.

Recommendation 2: That the Consumer Forum be given the same powers within the contract between NSW Health and Maitland Health as did the previous s20 health advisory council.

The Mid North Coast Area Health Service has three Consumer and Community Health Forums, one of which covers the area of the Port Macquarie Base Hospital. The forums are independent, community controlled and based organisations that have a formal constitution.

The Consumer and Community Health Forums have wider powers and membership than the health advisory councils established under Section 20 of the *Health Administration Act 1982*. Rather than nine members being appointed by the Minister, membership of the Forums is open to all residents who are "interested in influencing local health issues".

Members of the Forums are expected to create networks to inform communities, to identify the health issues, needs and views of their communities, and to advocate for the Forum and the community in their local area. The Forums are also represented on the Mid North Coast Area Health Service Community Liaison Committee, a formal subcommittee of the Mid North Coast Area Health Service Board.

Recommendation 3: That NSW Health review its reporting of funding available to area health services, to ensure the impact of net funding outflows on the available funding for Port Macquarie Base Hospital are included, and that NSW Health develop strategies to ensure there is a proper allocation of such outflows across the state.

Area Health Services are responsible for providing a range of services to their communities. To identify the value of health services consumed by their communities, each Area Health Service's audited financial statement reflects the value of patient outflows and inflows, regardless of where services are provided.

The Port Macquarie Base Hospital is funded to provide a specific number of services. It is not financially responsible for residents of the area that are treated elsewhere in other hospitals on the Mid North Coast, in New South Wales or Australia. The Port Macquarie Base Hospital is also not financially disadvantaged as a result of residents being treated elsewhere.

Recommendation 4: That to be consistent with other moves to greater transparency, NSW Health cease the practice of using reclassification of long-wait patients as a strategy to reduce waiting lists.

The 1996 Parliamentary Select Committee on Waiting Lists recommended that "mechanisms need to be in place so that public patients can be transferred between hospitals and between doctors if they agree". In accordance with this recommendation, patients are

offered the choice of transferring to the lists of doctors with shorter waiting times. Patients who decline the offer choose to wait longer.

Such patients are not removed from the waiting list but are classified as choosing to wait for a particular doctor.

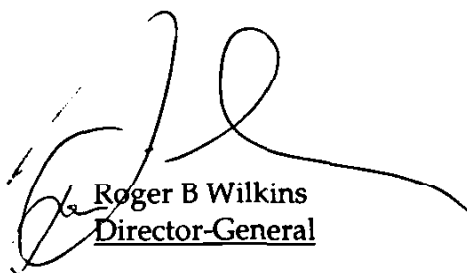
Recommendation 5: That the Mid North Coast Area Health Service ensure the new Consumer Forum meets regularly, and that the Forum also be encouraged to regularly consult with, and report to, the community.

The objectives of the Consumer and Community Health Forums are to provide consumer and community input into planning and review, facilitate community debate and feedback, identify opportunities to improve the capacity of communities to participate in health decision making, and enhance communication between the Area Health Service and the community. Under their constitutions, the Consumer and Community Health Forums in the Mid North Coast Area Health Service are required to meet nine times a year.

The Forums are also required to hold annual general meetings in each local government area they cover, on a rotational basis, and to hold annual general meetings and report on their activities. The constitution of the Forums also provides for a publicity officer whose duties include assisting with the presentation of quarterly newsletters, seminars and workshops, information sheets, media releases and publicity.

Should you have any queries regarding these matters, please contact Michelle Cannane on 9228 3385.

Yours sincerely



Roger B Wilkins
Director-General