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Operation and management of the Northern Beaches Hospital

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Operation and management of the Northern Beaches Hospital

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Terms of reference

1. That Portfolio Committee No. 2 – Health inquire into and report on the operation and management of the Northern Beaches Hospital, and in particular:
 - (a) the contract and other arrangements establishing the hospital,
 - (b) changes to the contract and other arrangements since the opening of the hospital,
 - (c) ongoing arrangements for the operation and maintenance of the hospital,
 - (d) standards of service provision and care at the hospital,
 - (e) staffing arrangements and staffing changes at the hospital,
 - (f) the impact of the hospital on surrounding communities and health facilities, particularly Mona Vale Hospital, Manly Hospital and Royal North Shore Hospital,
 - (g) the merits of public private partnership arrangements for the provision of health care, and
 - (h) any other related matter.
2. That the committee report by 28 February 2020.

The terms of reference were referred to the committee by the Legislative Council on 6 June 2019.¹

¹ *Minutes*, NSW Legislative Council, 6 June 2019 p 196.

Committee details

Committee members

The Hon Greg Donnelly MLC	Australian Labor Party	<i>Chair</i>
The Hon Emma Hurst MLC*	Animal Justice Party	<i>Deputy Chair</i>
Ms Cate Faehrmann MLC**	The Greens	
The Hon Wes Fang MLC	Liberal Party	
The Hon Trevor Khan MLC***	The Nationals	
The Hon Natasha Maclaren-Jones MLC	Liberal Party	
The Hon Walt Secord MLC	Australian Labor Party	

* The Hon Emma Hurst MLC was appointed Deputy Chair of the committee on 26 August 2019.

** Ms Cate Faehrmann MLC served as Deputy Chair on the inquiry from 6 June 2019 to 26 August 2019.

*** The Hon Trevor Khan MLC substituted for the Hon Lou Amato MLC from 11 June 2019 for the duration of the inquiry.

Contact details

Website	www.parliament.nsw.gov.au
Email	portfolio.committee2@parliament.nsw.gov.au
Telephone	02 9230 3774

Chair's foreword

“For the sick it is important to have the best.”

- Florence Nightingale

The citizens of New South Wales have a strong public health system. It is their public health system. They know it, are proud of it and do not want it weakened or undermined in any way. It has been inherited from the hard work of previous generations and there is an unequivocal desire to pass it on to the next, as good as it was received, if not better. At the very heart of it are our public hospitals.

Sixteen months since the opening of the Northern Beaches Hospital, and eight months after the inquiry began, the committee now hands down its report on the operations and management of the hospital. During this period, Healthscope and the Northern Sydney Local Health District have worked in a determined way to turn the hospital around from its initial problems. The hospital is now achieving performance standards and results that the committee hopes and expects will continue, and be improved upon into the future. The residents of the Northern Beaches deserve no less.

The committee has undertaken a thorough analysis of the evidence put before it by a broad range of stakeholders from both the health and medical profession as well as the local community of the Northern Beaches; a community who continues their fight for equitable, quality health and medical care within reasonable proximity to where they live. While there are 'big picture' lessons flowing from the inquiry, it was always about the health and medical care needs of the Northern Beaches community, and our recommendations are squarely focused to that end.

At points in this report the committee has taken a strong position, firmly and clearly registering its disappointment and displeasure at the unnecessary mistakes and errors that were made and the regrettable decisions taken. At the same time, the larger focus has been to be constructive and forward looking. The inquiry process has helped to shed new light and a different perspective on the issues to be addressed as the hospital continues through its consolidation phase. The committee sincerely hopes that its 23 recommendations will provide a helpful roadmap of the priorities for Healthscope, the Northern Sydney Local Health District and indeed NSW Health in the work that they must undertake to enable the hospital to reach its full potential.

Looming large in all of the analysis and recommendations is the public private partnership (PPP) on which the hospital was built and will continue to operate under for at least another 19 years. It is clear to the committee that the private status of this hospital has permeated every aspect of its establishment, management and early operation. PPPs have come and gone before in New South Wales, and this new creature, with its particular model of a private provider delivering health and medical care to both public and private patients, has exemplified the many costs and challenges that accompany PPPs.

The report highlights the critical need for transparency, as well as the rejection of a false dichotomy in which NSW Health is responsible solely for oversight of the PPP contract and Healthscope for the hospital's day to day operation. A key message from our recommendations is that the Local Health District and Healthscope must work closely together to mitigate, and as far as possible eliminate the tensions within this model, to ensure the highest possible standards of health and medical care across the entire community. The high standards and values of the public hospital system must prevail in this private sector arrangement and the public patient must never have to accept second best. Further work needs to be done to concretise this non-negotiable position at the Northern Beaches Hospital.

The committee thanks all those who participated in this inquiry through their submissions and oral evidence. I wish to make particular mention of those residents at the northern end of the Peninsula who have strongly expressed a number of significant concerns arising from the impact of the Government's decision regarding the future of the Mona Vale Hospital site. I also wish to acknowledge and thank my committee colleagues for the collegiate way in which they have engaged and participated in this important inquiry. Can I conclude by thanking all the committee staff for their hard work and professionalism, without which this report could not have been produced.



Hon Greg Donnelly MLC
Committee Chair

Findings

Finding 1

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That the public private partnership model underpinning the Northern Beaches Hospital, resulting in public patient services being delivered in an otherwise private hospital, has the potential to negatively affect people from lower socioeconomic backgrounds residing in the catchment.

Recommendations

- Recommendation 1** **99**
That in order to build the community's trust in the Northern Beaches Hospital and enable community members to make informed choices about how they access care, NSW Health and Healthscope immediately and significantly enhance transparency by publishing information on an ongoing basis with respect to:
- all inpatient and outpatient services available at the hospital to public and private patients
 - out of pocket patient costs.
- Recommendation 2** **100**
That NSW Health and Healthscope ensure that the same levels and standards of care are provided to public and private patients at the Northern Beaches Hospital.
- Recommendation 3** **100**
That NSW Health ensure that the Northern Beaches Hospital is able to provide all coronary intervention treatments currently available to private patients to public patients also, regardless of the urgency of their need.
- Recommendation 4** **101**
That NSW Health determine and inform the public of:
- the boundaries for ethical business practices at the Northern Beaches Hospital
 - the appropriate mechanism to investigate allegations of business conduct that is not in the interests of individual patients or the broader community.
- Recommendation 5** **101**
That Healthscope ensure that appropriate signage is erected at the Northern Beaches Hospital's points of admission which notifies patients of their right to treatment as a public patient at no cost.
- Recommendation 6** **102**
That NSW Health better support non acute care and address the need for outpatient services at the Northern Beaches Hospital by:
- reinstating previously available public specialist clinics, with priority given to cardiology and neurology
 - enhancing paediatric outpatient services
 - addressing the long existing gaps in gastroenterology, ophthalmology and orthopaedic outpatient services
 - ensuring outpatient services for public patients are bulk billed.
- Recommendation 7** **103**
That NSW Health and Healthscope publish data on rates of intervention in respect of all births that have occurred at the Northern Beaches Hospital, and actively monitor these figures to ensure that maternity related options and outcomes for public patients are consistent with those in the public hospital system.

- Recommendation 8** **103**
That the Northern Sydney Local Health District work with Healthscope to extend the option for midwife group practice to all patients and provide birthing baths in all birthing suites.
- Recommendation 9** **125**
That the NSW Government take immediate steps to engage directly with Northern Beaches state Members of Parliament, community leaders and other stakeholders to investigate the ways and means to restore a public level 3 emergency department to the Mona Vale Hospital as soon as possible.
- Recommendation 10** **125**
That NSW Health undertake an audit on the complete range of medical and health services on the Mona Vale Hospital site to confirm that what is currently available accords precisely with what has been produced in both written and electronic form and is in the public domain. Further, that information regarding the services be continuously updated as the services develop and evolve.
- Recommendation 11** **126**
That NSW Health and the North Sydney Local Health District, on an ongoing basis, positively consider opportunities to expand both the range and availability of medical and health services that are offered at the Mona Vale Hospital.
- Recommendation 12** **126**
That the Northern Sydney Local Health District monitor over time the effectiveness of both the Northern Beaches Hospital and the Mona Vale Hospital in meeting the health needs of the communities they serve, including for emergency care. Further, that it establish a mechanism, beyond the current limited Bureau of Health Information data published quarterly, for ongoing reporting to communities, for the purposes of transparency, engagement and building trust.
- Recommendation 13** **127**
That the Northern Sydney Local Health District make full and proactive use of its ability to adjust the activity profile of the Northern Beaches Hospital according to the community's evolving needs, both via the 'annual notice' process and renegotiation of specific aspects of the deed.
- Recommendation 14** **127**
That the Northern Sydney Local Health District and Healthscope formally request, on behalf of the residents of the Northern Beaches, that Transport for NSW establish by mid 2020 a regular direct bus service from Palm Beach on the Pittwater Peninsula to the Northern Beaches Hospital via the Wakehurst Parkway.
- Recommendation 15** **127**
That the Northern Sydney Local Health District and Healthscope formally request, on behalf of the residents of the Northern Beaches, that Transport for NSW look at alternative options to widening the Wakehurst Parkway given flooding and other environmental constraints.
- Recommendation 16** **128**
That the NSW Government ensure that the land on which the Mona Vale and Manly Hospitals sit always remain in public hands for health and medical related activities, and that 99 year or other similar long term leasing arrangements not be entered into for the sites.

- Recommendation 17** **128**
That the NSW Government cease demolition of the Mona Vale Hospital main building after asbestos removal is complete and retain this public asset for future use.
- Recommendation 18** **148**
That the Northern Sydney Local Health District and Healthscope:
- take further action to fully integrate the Northern Beaches Hospital into the operations of the local health district, including in the hospital's working relationship with other hospitals
 - establish integration as a formal item for reporting and discussion in the local health district's fortnightly meetings with Healthscope.
- Recommendation 19** **149**
That Northern Beaches Hospital collaborate with community based services, including health clinics, to improve its linking of patients, and especially vulnerable patients, into services. In doing so, that it:
- jointly develop and trial a care navigation model enabling immediate access and support for patients at risk following admission
 - participate in a joint care planning process with key community care providers in discharge planning for patients with high and complex care needs
 - enhance its understanding of the eligibility criteria for a range of community services and supports.
- Recommendation 20** **149**
That the Northern Sydney Local Health District and Healthscope examine and act on further ways to provide quality discharge planning and effective linkage of patients into community based services.
- Recommendation 21** **150**
That Healthscope and the Northern Beaches Hospital continue to build a culture of respect and collaboration with general practitioners and community based services, including by establishing:
- ongoing mechanisms for these stakeholders to meet regularly with senior representatives of the hospital and the Northern Sydney Local Health District to resolve issues and build partnerships
 - proactive and regular communication to local general practitioners on jointly identified matters of importance via mechanisms to be jointly agreed
 - a dedicated general practice liaison role with a clinical background to support communication regarding individual patients and troubleshoot matters as they arise.
- Recommendation 22** **166**
That the NSW Government not enter into any public private partnerships for future public hospitals.
- Recommendation 23** **166**
That the Northern Beaches Hospital develop, publish and implement a community participation and engagement plan that:

- recognises the fundamental value of consumer perspectives for the planning, delivery and evaluation of health services
- guides the hospital to engage better with the community it serves.

Conduct of inquiry

The terms of reference for the inquiry were referred to the committee by the Legislative Council on 6 June 2019.

The committee received 236 submissions and 9 supplementary submissions.

The committee held 3 public hearings, and one *in camera* hearing, at Parliament House in Sydney.

The committee also conducted a site visit to the Northern Beaches Hospital.

Inquiry related documents are available on the committee's website, including submissions, hearing transcripts, tabled documents and answers to questions on notice.

Chapter 1 **Background**

This chapter provides background information on the Northern Beaches Hospital (NBH) starting with the hospital itself then its role within the context of the Northern Sydney Local Health District. It explains the public private partnership under which the hospital was built and now operates, and gives an overview of the deed or contract, then the governance arrangements and ongoing operation of the hospital. It provides information on the company that operates the hospital, Healthscope Ltd, then a timeline of events in the lead up to this inquiry and an overview of NSW Health's role delineation system. It then provides a brief overview of the 2005 inquiry into the operation of the Mona Vale Hospital conducted by an earlier iteration of this Upper House committee.

The Northern Beaches Hospital

- 1.1** The Northern Beaches Hospital opened on 30 October 2018. It was built and is operated under a public private partnership (PPP) with the company Healthscope Ltd. While it is a private hospital, Northern Beaches provides services to both public and public patients.²
- 1.2** The hospital is one of five in the Northern Sydney Local Health District (NSLHD) and the services provided by Northern Beaches Hospital to public patients are determined by the LHD as part of its district-wide planning. Services to public patients are purchased from Healthscope. The range and volume of services is determined by the LHD, based on the assessed community need, the capabilities of the hospital and the capacity and capability of the other services within the area.³

Catchment

- 1.3** The Northern Beaches Hospital is located at Frenchs Forest within the Northern Sydney Local Health District (NSLHD). Its nominal population catchment area is the same as the Northern Beaches local government area.⁴

Facilities

- 1.4** The hospital comprises:
- 488 hospital beds, with room to expand in the future
 - a 50 space emergency department
 - 13 operating theatres, a hybrid operating theatre (with advanced medical imaging devices to enable minimally invasive surgery), two cardiac catheter labs and four procedural rooms
 - critical care services including intensive care

² Evidence, Mr Stephen Gameren, State Manager - Hospitals (NSW and ACT), Healthscope, 5 November 2019, p 24.

³ Submission 119a, Healthscope Ltd, p 1.

⁴ Submission 119, Healthscope Ltd, p 7. Consistent with Medicare requirements, free public access is available to Medicare eligible patients regardless of their place of residence.

- a comprehensive range of surgical services
- a range of medical specialty services
- mental health services
- maternity, neonatal and women's health services
- paediatric services
- outpatient services
- digital imaging and diagnostic facilities
- on site medical centre
- cafes, retail and customer services
- 1,400 car spaces
- public transport links.⁵

The hospital in context

1.5 Prior to the opening of the hospital, the Northern Beaches community was serviced predominantly through Manly and Mona Vale Hospitals, with complex tertiary services being provided at Royal North Shore Hospital at St Leonards. According to NSW Health, the imperative for Northern Beaches Hospital included:

- the infrastructure limitations of Manly and Mona Vale hospitals' small and ageing facilities which were unable to be reconfigured to provide contemporary models of care;
- the fragmentation of services across these hospitals and the unavailability of certain specialist services;
- the hospitals were not well located in relation to their population catchment areas;
- community health services were spread across a number of facilities within NSLHD; and
- the community expectation that a new hospital would be built following a commitment by former NSW Premier Morris Iemma in March 2006.⁶

1.6 According to NSW Health, the Northern Beaches Hospital 'consolidated the acute care services of Manly Hospital and Mona Vale Hospital, providing residents of the northern beaches with enhanced access to more complex care closer to home and critical care services, including a state of the art Emergency Department, an advanced intensive care unit, and surgical services.'⁷ Its opening was the culmination of a broader redevelopment project led by NSLHD with the following aims for the Northern Beaches community:

⁵ Submission 119, Healthscope Ltd, p 7.

⁶ Submission 224, NSW Health, p 2.

⁷ Submission 2254, NSW health, p 3.

- consolidating existing services and the addition of new services at the Frenchs Forest site to provide a critical mass and optimisation of health services for acute and outpatient services at NBH;
- retaining Mona Vale Hospital and redefining its role to provide sub-acute services and other services complementary to NBH;
- reconfiguring community health services; and
- ceasing the provision of health services from Manly Hospital.⁸

1.7 Specific aspects of this redevelopment project included:

- construction of the purpose-built Brookvale Community Health Centre, completed in January 2018, providing access to more than 20 community health services, and incorporating a B-Line bus interchange and a multi-storey car park for staff, clients and commuters
- the Mona Vale Community Health Centre, which opened in March 2016 and provides a range of sub-acute and community based services
- the Dalwood Child and Family Health Centre at Seaforth which opened in December 2015 and consolidated and expanded services that were already on site.⁹

Services on the Mona Vale site

1.8 Mona Vale Hospital is 'a high-level rehabilitation and sub-acute hospital' which is currently under redevelopment to include:

- 56 bed inpatient rehabilitation service for orthopaedic patients after a joint replacement, a fall or a fracture, neurological and stroke patients, amputees and patients requiring reconditioning after a medical or surgical admission
- 10 bed inpatient and outpatient palliative care unit providing specialist physical and emotional care during the final stages of illness – due to open in 2020
- 10 bed inpatient geriatric unit – also due to open in 2020
- 24/7 walk in Urgent Care Centre which provides no cost treatment (for those with a Medicare card) for minor injuries and illnesses such as:
 - minor fractures or injuries
 - minor illnesses including infections and rashes
 - mild asthma or chest infections
 - minor burns or scalds
 - minor cuts needing stitches or glue
 - minor sports injuries, including sprains or strains
 - wound review
 - sore throat or sore eye

⁸ Submission 224, NSW Health, p 2; Evidence, Ms Deborah Willcox, Chief Executive, Northern Sydney Local Health District, 26 August 2019, p 3.

⁹ Submission 224, NSW Health, pp 2-3.

- bites or stings
- migraine
- skin infections.¹⁰

1.9 Based on information provided by the local health district, other services provided at the site include:

- 4-chair dental clinic
- radiology, pathology and pharmacy
- hydrotherapy
- paediatric occupational therapy
- paediatric speech pathology
- paediatric physiotherapy
- community adult, youth and child mental health
- adult musculoskeletal physiotherapy
- acute post-acute care
- podiatry clinic
- diabetes clinic
- community drug and alcohol services
- early childhood services
- community nursing service
- chronic disease community rehabilitation services
- carer support services
- community aged care/rehabilitation service
- continence service
- dietetics
- outreach maternity antenatal clinic
- cardiac rehabilitation
- ambulance station
- helipad.¹¹

¹⁰ Northern Sydney Local Health District, NSW Health, 'Mona Vale Hospital: Future Health Care Services', <https://www.nslhd.health.nsw.gov.au/Hospitals/MonaVale/mvdevelopment>.

¹¹ Northern Sydney Local Health District, 'Mona Vale Hospital: Providing Healthcare into the future', <https://www.nslhd.health.nsw.gov.au/Hospitals/MonaVale/mvdevelopment/Documents/181011-NSW%20Health%20MonaVale%20Hospital%20Future%20Email.pdf>

The public private partnership

1.10 The delivery and management of health services and hospital redevelopments through public private partnerships is not new to New South Wales. In 1994 a Liberal National Coalition Government entered into a 20 year agreement with a private operator for the Port Macquarie Hospital to be built, owned and operated. The Orange Hospital redevelopment opened in 2007 and the Royal North Shore Hospital opened in 2008 as PPPs, including financing, design, construction and management in the contract, and for both hospitals, the contracts were entered into under Labor Governments.

1.11 Under the PPP, Healthscope was contracted to design, build and operate the Northern Beaches Hospital. The procurement process commenced in 2013 with two key components to the PPP model:

- the delivery of the asset (the building itself) – combining private sector design, construction, financing, and maintenance under one contract with government
- the services component – bundling of private sector clinical services for public patients for a defined period, service case mix and minimum volume, with the hospital infrastructure, related shared facilities and clinical and non-clinical services to public and private patients integrated in a single facility, which are all the responsibility of the private operator.¹²

1.12 Under the contract or project deed (see next section), Healthscope will deliver public patient services at the hospital over the next 20 years. According to NSW Health, 'At the end of the contract period, the public portion of the hospital may be handed back to NSW Health at no cost. Healthscope then has a further 20 years to provide services to private patients before the remaining part of the hospital may also be returned to the state.'¹³

1.13 Under the project deed and other agreements, public health services are purchased from Healthscope by the NSW Government on an annual volume basis. The methodology allocates a cost per treatment according to NSW state 'national weighted activity units'.¹⁴

1.14 According to NSW Health:

It is fundamentally a partnership to design, construct, finance and operate a hospital (delivering all clinical services) for government under a long-term contract.

The operator is to provide healthcare for public patients (at no cost to those patients) and private patients and meet relevant government and industry standards.

The hospital operator remains accountable to the Local Health District, and government pays the operator for the services they provide to public patients (in the case of NBH, total payments are subject to an annual cap).¹⁵

¹² Submission 224, NSW Health, p 3.

¹³ Submission 224, NSW Health, p 3; see also Submission 119, Healthscope Ltd, p 7.

¹⁴ Submission 119, Healthscope Ltd, pp 7 and 10.

¹⁵ Submission 224, NSW Health, p 3.

1.15 The Northern Beaches Hospital site is owned by the NSW Government.¹⁶

The contract or deed

1.16 On 11 December 2014, NSW Health executed the Northern Beaches Hospital project deed. The deed is available on the NSW Treasury website in accordance with the disclosure requirements in Division 5 of Part 3 of the *Government Information (Public Access) Act 2009 (NSW)*.¹⁷

Healthscope's obligations

1.17 Under the project deed, Healthscope is responsible for:

- designing, constructing and commissioning the hospital during the development phase, from 28 January 2015 to 23 October 2018
- the transition from development phase to operational
- operating and maintaining the facility to deliver health and hospital services from 30 October 2018 to:
 - (i) meet the needs of the community for public health services in accordance with quality standards for a period of 20 years
 - (ii) accommodate the needs of private patients for a further period of 20 years, that is, 40 years.

1.18 Healthscope was responsible for designing and building the hospital to:

- provide at least 423 beds (with a minimum of 173 private patient designated beds), with sufficient capacity to meet public patient demand
- integrate the public and private components as far as practicable
- provide capacity to evolve the site to meet anticipated activity increases
- assume responsibility for all maintenance and lifecycle obligations over the project term.

1.19 Healthscope was also responsible for:

- implementing the transition strategy from Mona Vale and Manly Hospitals
- demonstrating operational readiness so that the services could commence at Northern Beaches Hospital
- migration of eligible staff who accepted an offer from Healthscope.¹⁸

¹⁶ Submission 119, Healthscope Ltd, p 10.

¹⁷ Submission 224, NSW Health, p 4.

¹⁸ Submission 224, NSW Health, pp 3-4.

Enabling changes to services

- 1.20** The project deed provides a flexible framework to enable variation in arrangements, including activity levels and other related matters, to accommodate provision of services over the next 20 years to meet emerging health needs of the community and achieve the agreed performance expectations (as outlined below).¹⁹ The schedules under the deed allow for negotiation between the parties at any time in respect of the provision of extra services.²⁰

Key contractual terms for hospital operations

- 1.21** Healthscope explained the deed in respect of hospital operations:

Under Healthscope's agreement with the NSW Government, it has a concession in relation to the Public Patient Portion and Shared Portions of the Hospital for a 20-year period. This can be extended for a period of up to five years by government. Operational control of these facilities is then transferred to the government at no additional cost to the State. For the Private Patient Portion, the length of the concession is 40 years and access is provided to the Shared Portion of the Hospital after it is transferred back to government under an agreed lease.

The project deed obliges Healthscope to provide clinical services for public patients having regard to high standards of patient care and safety at all times, and in accordance with good operating standards and a quality assurance management plan. This obligation also relates to all other services necessary to support the clinical services.

Before each operating year commences, the government provides Healthscope with an 'annual notice' for the pending operating year. This annual notice sets out the type and volume of services that will be purchased in the operating year. Healthscope may also provide additional services upon the request of the State.²¹

- 1.22** Healthscope's key operational obligations under the deed relate to:

- targets for elective surgery and emergency access
- not inappropriately transferring patients to other facilities, unless there is an urgent or critical care need to do so
- encouraging prospective patients in the catchment area to use the hospital
- maintaining and complying with the hospital license and accreditation
- encouraging community participation, and enhancing patient care and services
- fulfilling its obligations in relation to volunteer organisations and donations
- fulfilling its obligations in relation to disaster response and planning
- implementing government health initiatives.²²

¹⁹ Submission 224, NSW Health, p 6.

²⁰ Evidence, Mr Gamera, 26 August 2019, p 23.

²¹ Submission 119, Healthscope Ltd, pp 10-11.

²² Submission 119, Healthscope Ltd, pp 10-11.

- 1.23** Healthscope has obligations in relation to targets, key performance indicators and quality standards set out in the project deed.
- 1.24** The deed includes a number of requirements in respect of staff and employment, with Healthscope required to offer employment to all permanent NSW Health employees working at Manly or Mona Vale Hospitals whose functions were transferring to Northern Beaches Hospital. On a continuing basis, Healthscope is responsible for all workforce and industrial relations matters at the hospital, including appropriate training and accreditation.
- 1.25** Healthscope is responsible under the deed for procuring medical and non-medical equipment. It also has rights in relation to the operation of retail and commercial facilities on site, for example the general practice clinic and private consulting suites. It is also responsible for the operation of the car park and overall maintenance of the hospital.²³

Governance arrangements and ongoing operation of the hospital

- 1.26** The governance arrangements providing oversight over the Northern Beaches Hospital project prior to the hospital's opening are documented in the NSW Health submission.²⁴ The focus here is on ongoing arrangements into the future.
- 1.27** As required under the deed, an Operational Services Group (OSG), jointly established and co-chaired by NSW Health and Northern Beaches Hospital, meets fortnightly 'to establish and maintain effective operational interfaces, review progress against identified milestones, and to review and resolve any operational issues as these are identified.'²⁵
- 1.28** In addition, an Executive Steering Committee, which includes representatives of NSW Treasury and NSW Health, provides oversight of ongoing operations.²⁶

Contract management

- 1.29** NSLHD is responsible for the day to day management of the project deed requirements on behalf of NSW Health, including through:
- direct engagement and liaison with Northern Beaches Hospital management and senior executives on a day to day basis
 - the OSG, as described above
 - providing approval on NSW Health's behalf prior to the appointment of key Northern Beaches Hospital personnel.²⁷

²³ Submission 119, Healthscope Ltd, p 11.

²⁴ Submission 224, NSW Health, p 6.

²⁵ Submission 224, NSW Health, p 7.

²⁶ Submission 224, NSW Health, p 7.

²⁷ Submission 224, NSW Health, p 7.

Payment for clinical services

1.30 Under the project deed, NSW Health pays Healthscope for the provision of public patient services, which is calculated at a discount percentage off the state price, that is, the amount that NSW Health pays to local health districts (LHDs) and specialty health networks based on an activity based funding model measured through 'national weighted activity units' calculated each year using clinical costing data. This is on the basis that:

- the state price relates to the average price of service delivery across a range of facilities and settings across NSW Health, including rural and remote services;
- NBH is a significant metropolitan hospital offering services at a higher role delineation and thereby able to achieve efficiencies associated with its scale; and
- NBH can achieve operational synergies, including through the substantial private patient opportunity in the Northern Beaches Hospital catchment area.

This approach is analogous to the application of the State price to public hospital facilities across NSW.²⁸

Managing activity and volume

1.31 The project deed provides a mechanism for setting the activity profile at the Northern Beaches Hospital on an annual basis. Each year the NSLHD issues an 'annual notice' to Healthscope setting out the type and volume of clinical services to be provided at the hospital. This mechanism enables responsiveness to increases in demand or changes in the need for clinical services. In setting the annual volume, NSW Health must have regard to various factors, including the volumes arising from the preceding year and changes in role delineation (explained later in this chapter).²⁹

1.32 Beyond this mechanism, specific elements of the deed may be renegotiated (see paragraph 1.18). As of November 2019, no elements of the project deed had been renegotiated.³⁰

Performance requirements and performance management

1.33 Healthscope is obliged to treat all patients that present to the Northern Beaches Hospital regardless of insurance status, and to deliver services to public patients at the standard expected of all NSW public hospitals.³¹

1.34 NSW Health monitors Healthscope's performance under a performance management framework which includes:

²⁸ Submission 224, NSW Health, p 7.

²⁹ Submission 224, NSW Health, p 7; Answers to questions on notice, NSW Health, received 6 December 2019, p 8.

³⁰ Submission 224, NSW Health, p 7; Answers to questions on notice, NSW Health, received 6 December 2019, p 8.

³¹ Submission 224, NSW Health, p 8.

- the service specifications and key performance indicators (KPIs) detailing the nature and quality of the services to be provided (outcomes-based service levels)
- the inclusion of remediation processes to allow Healthscope to respond to and remedy certain events (remediation)
- a mechanism within the payment framework for the reduction in payments made to Healthscope as a result of service delivery that falls below the levels provided in the service specifications and KPIs (abatement)
- termination of the project deed for continued and/or excessive unsatisfactory performance that leads to events of default (default and termination).³²

Service reporting requirements

1.35 Under the deed, Healthscope is required to provide reports to NSW Health, including:

- monthly performance reports against KPIs
- monthly activity reports
- clinical and corporate incident reports via a reportable incident brief, consistent with the NSW Health Incident Management Policy
- financial reporting with each payment claim.³³

External reporting

1.36 Consistent with reporting requirements for all NSW Health entities, the hospital is required to provide data on public and private activity to the NSW Bureau of Health Information.³⁴

Performance data and auditing

1.37 Healthscope must submit data to NSW Health in relation to public patients and services provided at the Northern Beaches Hospital that is consistent with the policy requirements applicable to all NSW public health services. This data is used to assess and report upon the hospital against the relevant statewide key performance indicators. NSW Health has contractual rights to:

- require an audit of the data used for performance management and reporting
- require an independent audit of financial information
- perform an audit of Healthscope's records
- inspect the hospital to identify compliance with its obligations under the deed.³⁵

³² Submission 224, NSW Health, p 8.

³³ Submission 224, NSW Health, p 8.

³⁴ Submission 224, NSW Health, p 8.

³⁵ Submission 224, NSW Health, pp 8-9.

Public and private patients

- 1.38** The project deed sets out the requirements for providing services to public and private patients. According to NSW Health:

[T]he project deed ensures the provision of clinical services for public patients who attend or are referred to the NBH. Appropriate clinical treatment is provided, irrespective of private insurance status or ability to pay.

If a patient attends NBH and requires an inpatient admission, they can elect to utilise their private health insurance and be admitted as a private patient. If a patient does not have private health insurance, or elects not to use it, they will be admitted as a public patient and will be treated at no cost to the patient.

The project deed also requires Healthscope to provide complementary private services, which must be at least equivalent to public services available.

The project deed requires that the provision of private service does not adversely impact public services.³⁶

Healthscope

- 1.39** Healthscope operates 43 hospitals nationally, 12 of which are co-located with public hospitals. As of June 2019 it was responsible for over 5000 beds.

- 1.40** Healthscope operates hospitals in every state and territory across Australia. In addition to Northern Beaches Hospital, it operates a further ten hospitals in New South Wales:

- Campbelltown
- Hunter Valley
- Lady Davidson
- Nepean
- Newcastle
- Norwest
- Prince of Wales
- Sydney Southwest
- The Hills Private
- The Sydney Clinic.³⁷

³⁶ Submission 224, NSW Health, p 10.

³⁷ Submission 5, Healthscope Ltd, p 5.

Timeline

1.41 A timeline of key dates in the lead up to and opening of the hospital is set out below.

1999	Dr Stephen Christley, CEO of Northern Sydney Area Health Board and later Central Coast Northern Sydney Area Health Board, held a public meeting in Mona Vale and announced a plan to close Mona Vale and Manly Hospitals and build a new centralised hospital at Frenchs Forest. ³⁸
March 2006	Then NSW Premier Morris Iemma committed to building a new hospital in the area. ³⁹
2 May 2013	Minister for Health, the Hon Jillian Skinner MP, announced that an expression of interest process was to be established for 'the private sector to design, construct, operate and maintain a world class hospital on Sydney's Northern Beaches'. ⁴⁰
11 December 2014	The project deed (contract) with operator Healthscope signed by then Health Minister Jillian Skinner MP. ⁴¹
25 March 2015	Approval given for Healthscope to operate the Northern Beaches Hospital as a private health facility under the <i>Private Health Facilities Act 2007</i> . ⁴²
15 October 2018	Final licence issued to Healthscope as a precondition of operational readiness. ⁴³
23 October 2018	Independent verifier issued operational readiness certificate. ⁴⁴
30 October 2018	The hospital opened. ⁴⁵
7-9 November 2018	Australian Council of Healthcare Standards (ACHS) undertook interim assessment against the National Safety and Quality Health Service Standards and awarded accreditation. ⁴⁶

³⁸ Submission 111, Palm Beach and Whale Beach Association, p 1.

³⁹ Submission 224, NSW Health, p 2.

⁴⁰ Media release, Hon Jillian Skinner MP, Minister for Health, Minister for Medical Research, 'World class hospital for Northern Beaches,' 2 May 2013, quoted in Submission 200, NSW Nurses and Midwives' Association, p 5.

⁴¹ Submission 111, Palm Beach and Whale Beach Association, p 2.

⁴² Submission 224, NSW Health, p 4.

⁴³ Evidence, Ms Willcox, 26 August 2019, p 3.

⁴⁴ Evidence, Ms Willcox, 26 August 2019, p 3.

⁴⁵ Submission 119, Healthscope Ltd, p 7.

⁴⁶ Submission 224, NSW Health, p 5.

10 December 2018	Health and Education Training Institute (HETI) undertook its first site visit to the NBH, conducting confidential interviews and touring the facility. Provisional accreditation was maintained. ⁴⁷
17 January 2019	HETI conducted a second site visit to the hospital, focusing on what progress had been made since its December visit and found that there were ongoing issues. Final accreditation was not granted and the hospital maintained its provisional accreditation. ⁴⁸
25 September 2019	HETI conducted its third site visit to the hospital and granted final accreditation. Its report again highlighted the progress made, but that there were ongoing issues still to be addressed. ⁴⁹

Role delineation

1.42 Role delineation relates to the complexity of services a healthcare organisation can provide. In the case of Northern Beaches Hospital, the role delineation relates to the services provided to public patients. Northern Beaches is designated as a Level 5 hospital. According to Healthscope:

The public services required of NBH are broadly defined as those consistent with a Level 5 hospital, as per the 'Guide to the Role Delineation of Clinical Services (2018)', produced by the NSW Ministry of Health. Role delineation defines the complexity of services a healthcare organisation can safely provide. These range from Level 1 where services, such as those provided under mild sedation are provided through to Level 6, where the most complex and acute services such as major trauma and transplant procedures are provided. As a Level 5 hospital, NBH can provide a range of services across many disciplines up to Level 5. This differs from the previous Manly and Mona Vale hospitals which had role delineations of Level 4. Although the previous hospitals had emergency departments, intensive care, special care nursery and a range of other services across the two hospitals, they were unable to support the complexity or acuity now provided by NBH. It should be noted that role delineation relates to public hospitals only and is not applicable to Healthscope's private hospital operations.⁵⁰

1.43 Role delineation is a planning tool used in service and capital developments. It provides a framework that describes the minimum support services, workforce and other requirements for

⁴⁷ Correspondence from Associate Professor Ian Rewell, Chair, Pre-vocational Accreditation Committee, Health Education and Training Institute, to Mr Stephen Garamen, Interim Chief Executive Officer, 19 December 2019, accompanying Health Education and Training Institute *Northern Beaches Hospital: Site Visit Report*, 10 December 2018.

⁴⁸ See Submission 119, Healthscope Ltd, p 13; Dr Tony Sara, President, Australian Salaried Medical Officers' Federation of NSW, 26 August 2019, p 53; Health Education and Training Institute, *Northern Beaches Hospital: Site Visit Report*, 17 January 2019.

⁴⁹ Health Education and Training Institute, *Prevocational Education and Training Accreditation Survey Report: Northern Beaches Hospital 2019*, 25 September 2019, pp 8-9.

⁵⁰ Submission 119a, Healthscope Ltd, p 1.

the safe delivery of clinical services, and is set out in NSW Health's *Guide to the Role Delineation of Clinical Services*, revised in 2019.⁵¹ According to NSW Health:

The aim of the Guide is to provide a consistent language across NSW for describing clinical services. It is one of the tools used by LHDs and SHNs in service planning and development, but can also assist clinical governance in considering potential risk (e.g. to illustrate the wider effects of proposed changes to a single clinical service) and in determining the services provided by a particular health facility.

The Guide applies to public hospitals and health services. When developing plans such as clinical services plans, business cases for capital projects and other service plans, LHDs and SHNs should use this document as a tool to describe the size, service profile and roles of the facilities for which they are responsible. Each clinical service is then planned and developed to the level appropriate to meet the needs of the relevant catchment population as determined by the LHD/SHN, ensuring efficiency in the health system as a whole, while improving local access. Role delineation service levels apply to individual clinical services, not to hospitals or health facilities.⁵²

2005 parliamentary inquiry into the operation of Mona Vale Hospital

1.44 In 2005, an earlier iteration of this committee, the General Purpose Standing Committee No. 2, conducted an inquiry into the operation of Mona Vale Hospital, in particular:

- the closure of the intensive care unit and the reasons behind its transfer to another hospital
- the level of funding given to Mona Vale Hospital compared to other hospitals in the area
- the level of community consultation in relation to changes proposed by NSW Health to the hospital
- the reasons why the hospital was not made a general hospital for the Northern Beaches area.⁵³

1.45 The inquiry took place in the context of two impending decisions by NSW Health and the Minister of Health: whether the then level 4 Intensive Care Unit at Mona Vale Hospital would be changed to a level 3 High Dependency Unit; and what the location for the new Northern Beaches Hospital would be.⁵⁴ It was marked by a very high level of participation by Northern Beaches community members, consistent with the area's history of significant community mobilisation with respect to local health services.

1.46 The report made a number of recommendations to ensure that those decisions were made in an open and transparent manner and with full consideration of the impact they would have on the level of services able to be provided at Mona Vale Hospital. The committee made numerous

⁵¹ NSW Health, *Guide to the role delineation of clinical services (2019)*, <https://www.health.nsw.gov.au/services/Pages/role-delineation-of-clinical-services.aspx>.

⁵² NSW Health, *Guide to the role delineation of clinical services (2019)*, p 4.

⁵³ General Purpose Standing Committee No. 2, NSW Legislative Council, *Operation of Mona Vale Hospital (2005)*, p iv.

⁵⁴ General Purpose Standing Committee No. 2, *Operation of Mona Vale Hospital*, p x.

recommendations to address transparency in respect of these decisions. Its recommendations included:

- that, whatever the site chosen for the new Northern Beaches Hospital, Mona Vale Hospital be funded, staffed and equipped to provide an ongoing effective 24 hour emergency department service
- that the Minister for Health publicly announce a commitment on the part of the NSW Government that all of the Mona Vale Hospital land be retained and in the future only be sold or used for health services.⁵⁵

⁵⁵ General Purpose Standing Committee No. 2, *Operation of Mona Vale Hospital*, p xii.

Chapter 2 The public private partnership

The public private partnership between NSW Health and Healthscope in the building and ongoing operation of the Northern Beaches Hospital (NBH) lies at the heart of this inquiry.

This chapter first documents the risks and benefits of the public private partnership from the perspective of community and other stakeholders, then NSW Health and Healthscope. It then documents stakeholders' views with regard to the culture of the private operator, which many consider to be fundamentally different to that of the public hospital system. The chapter then considers the issue of transparency, to which the committee returns at numerous points in the report. Last, it documents the evidence the committee received with regard to payment, performance monitoring and abatements.

Risks and benefits

- 2.1 As noted in chapter 1, the Northern Beaches Hospital was built and is operated under a public private partnership (PPP) with the company Healthscope Ltd. While it is a private hospital, it provides services to both public and public patients.⁵⁶
- 2.2 Factual information about the PPP between NSW Health and Healthscope, along with the project deed or contract, and the deed's governance by the Northern Sydney Local Health District is documented in chapter 1.
- 2.3 In this section the committee explores the views of community groups and other stakeholders about the risks and benefits of the PPP, and then in turn, those of NSW Health and Healthscope.

Community and other perspectives

- 2.4 Numerous inquiry participants were fundamentally critical of the PPP; correspondingly, these views underpinned many of the perceived problems and risks in respect of the hospital that are documented in the remainder of this report.
- 2.5 The Palm Beach and Whale Beach Association expressed deep opposition to the PPP. Professor Richard West, its President, who is also a Visiting Medical Surgeon at Royal Prince Alfred Hospital, highlighted the fundamental difference between this model and public hospitals in New South Wales, and the concerns that the community holds as a result:

The community of the Northern Beaches are concerned that they do not have a public hospital in the area administered by NSW Health. They have a private public model by Healthscope. The model has failed in the past and is failing again at the Northern Beaches Hospital. The local health area buys services from Healthscope. They seem to have little control over how these services are provided. Who is legally responsible for the patients at the Northern Beaches Hospital?

⁵⁶ Evidence, Mr Stephen Gameren, State Manager – Hospitals (NSW and ACT), Healthscope Ltd, 5 November 2019, p 24.

In every other public hospital NSW Health is responsible. Is Healthscope responsible or is the New South Wales department? If you have a problem who do you sue?⁵⁷

- 2.6** The Association noted that the hospital is operated by a consortium led by private firm Healthscope under a 20-year, \$2.2 billion contract, and that in February 2019 Healthscope was taken over by the Canadian venture capital company Brookfield. According to the Association, 'The community is concerned that their local hospital has been taken over by a company based in Canada and Bermuda, a company that is more concerned with profit than patient care'.⁵⁸
- 2.7** The Save Mona Vale Hospital Community Action Group expressed similar opposition to the for-profit interest inherent in the PPP, arguing that it works against the interests of public patients. The group suggested that Brookfield's ownership structure 'is not in the public interest' and that 'a foreign company that pays no tax in Australia – and whose first responsibility is to its shareholders – should not be responsible for public hospital services here, let alone to be profiting from them'.⁵⁹ It proposed that 'For all these reasons, we believe the NSW Government must step in and take control of NBH. The government should administer it as a public hospital, with public health and welfare its first priority'.⁶⁰
- 2.8** Mr Parry Thomas, Chairman of the group, highlighted tensions arising from the 'unique co-location' aspect of the PPP, in which services to public and private patients are fully integrated. He suggested that Queensland's Sunshine Coast Hospital is a significantly better PPP model operating a network of public health services:
- What [Queensland Health] did is instead of privatising anything they got a consortium to build and manage the building. They own it, built it and they maintain it. The public health system runs a public hospital in that building. Then they co-located a private hospital next to it—a bit North Shore-ish in that sense ... Good model.⁶¹
- 2.9** General practitioner Dr Caroline Rogers suggested that a sense of responsibility for the whole population of the local health district has been diminished by the PPP:
- One of the problems with the public private model is that we no longer really have anyone looking at the healthcare needs of our entire population and seeing how they can best be planned for and serviced. We have fragmented this. We have one person looking after the inpatient facilities and private facilities at the Northern Beaches site but we have not really got anyone looking at the rest of the population and seeing how best to provide for their healthcare needs.⁶²
- 2.10** The three unions critical to this inquiry, the Australian Salaried Medical Officers' Federation of NSW (ASMOF), the Health Services Union (HSU) and the NSW Nurses and Midwives' Association all opposed the PPP on fundamental grounds.

⁵⁷ Evidence, Professor Richard West, Visiting Medical Surgeon, Royal Prince Alfred Hospital, and President, Palm Beach and Whale Beach Association, 23 September 2019, p 4.

⁵⁸ Submission 111, Palm Beach and Whale Beach Association, p 2

⁵⁹ Submission 121, Save Mona Vale Hospital Community Action Group Incorporated, p 11.

⁶⁰ Submission 121, Save Mona Vale Hospital Community Action Group Incorporated, p 11.

⁶¹ Evidence, Mr Parry Thomas, Chairman, Save Mona Vale Hospital Community Action Group, 26 August 2019, p 37.

⁶² Evidence, Dr Caroline Rogers, General Practitioner, 23 September 2019, p 19.

- 2.11** The HSU, which represents junior medical officers at the hospital, pointed to a fundamental 'misalignment of interests' between the public and private health sectors,⁶³ with its Secretary, Mr Gerard Hayes, contending that competition does not actually benefit the provision of public health care:

Consistently we see pressure put on the public system when there is a private partnership and a private competition for dollars to be engaged in that. We see that the Government has a real responsibility to care for the people of New South Wales in terms of their health. That is hard to do when it is actually competing against a profit-driven industry.⁶⁴

- 2.12** The HSU also highlighted the return of Port Macquarie Hospital to public hands some fifteen years ago as emblematic of 'the failed model' of PPPs in public hospital care 'that serves to highlight all of the false assumptions of the privatising mindset'.⁶⁵ The union noted that the Auditor General's 1996 report 'famously described the government at the time as 'paying for the hospital twice and then giving it away'.⁶⁶ It further quoted a 2014 report on hospital privatisation by the McKell Institute which noted that while a private entity is entitled to profit from operating a public hospital, the government and taxpayers continue to bear the most of the risk:

... although a public hospital may be privately operated, the essential services offered by these facilities remain the ultimate responsibility of a government. Should there be a failure of private operators to effectively operate a hospital, it will be the government – and by association, taxpayers – that will foot the bill to fix any failures that have occurred. In essence, although a private entity would be entitled to capture any profits arising from the operation of a hospital, the risks are still largely borne by the government and its taxpayers.⁶⁷

- 2.13** The HSU went on to argue that the early problems of the hospital were a product of the PPP and the private operator's refusal to respond to staff input during the planning stages:

The failures of Northern Beaches Hospital did not start when the hospital opened. They started when the model was developed. The repeated failure of Healthscope to address the areas of concern raised by staff and unions since 2015 was only ever going to end in problems. An HSU officer involved in the development negotiations described the process: 'It felt like watching a very slow train wreck, knowing it would inevitably crash.'⁶⁸

⁶³ D Chung, 'Developing an analytical framework for analysing and assessing public-private partnerships: A hospital case study', *The Economic and Labour Relations Review* (2009) 19, pp 69, 70, quoted in Submission 108, Health Services Union, p 10.

⁶⁴ Evidence, Mr Gerard Hayes, Secretary, Health Services Union, 26 August 2019, p 64.

⁶⁵ NSW Auditor General, *NSW Auditor General's Report for 1996*, p 408, quoted in submission 108, Health Services Union, p 10.

⁶⁶ NSW Auditor General, *NSW Auditor General's Report for 1996*, p 408, quoted in submission 108, Health Services Union, p 10.

⁶⁷ McKell Institute, *Risky business: The pitfalls and missteps of hospital privatisation*, McKell Institute, November 2014, p 22, quoted in submission 108, Health Services Union, p 9.

⁶⁸ Submission 108, Health Services Union, p 10.

- 2.14** The Nurses and Midwives' Association acknowledged private hospitals as a 'complementary part of total health services provided to the community', but argued that public health services are an essential responsibility of government and that history has shown that PPPs in public health care ultimately fail:

But the provision of public health services has long been and seen to be an integral responsibility of governments at both state and federal level. These are essential services that must remain in the hands of the community via their governments. As demonstrated time and time again, when governments have made decisions to contract out these essential services, they have largely failed in the Australian setting.⁶⁹

- 2.15** The Nurses and Midwives' Association went on to challenge the justification for privatising public health services, that they can be provided at a lower cost than would otherwise have been the case if these services had remained in public hands:

There are major flaws in this approach and view of the world. Firstly, the provision of health services cannot simply be reduced to, and tested on, achieving some notional lowest possible price for providing it. The ultimate test for such services [is] about their adequacy, the timeliness of their provision, and the quality of such services. It is a false economy to provide a (cheaper) episode of care first time round, and deal with the subsequent consequences for the patient when they need to be readmitted or have complications arising from such care or are left with a poor experience.

Further, if the privatisation leads to an alleged lower payment for episodes of public health care, a private provider will need to drive that service delivery at even a lower cost to achieve a profit ie it must reduce the cost of providing such care, and inevitably this results in poorer service delivery, a lack of timeliness and, all too predictably, a reduction in staffing (and labour costs). It is the latter reduction that only adds and fuels poorer performance and clinical outcomes.⁷⁰

- 2.16** Echoing the Palm Beach and Whale Beach Association's concern about the LHD ceding control over the hospital, the Nurses and Midwives' Association went on to argue that the LHD has moved from a central to peripheral role within the Northern Beaches Hospital model:

Much was also made that the new privatised hospital would be an integral part of the public health system in Northern Sydney, but the outcomes to date prove otherwise. Sadly, the Local Health District has been reduced to the 'purchaser' of public health episodes of care, rather than being directly responsible for the provision of such services. It has become a bystander, waving public monies at Healthscope in an attempt to manage and improve services.⁷¹

- 2.17** Accordingly, the HSU and Nurses and Midwives' Association both called for the radical solution of government buy back by terminating the contract and transferring the facility to public operation.⁷² The latter recommended that at the very least, Northern Beaches Hospital should become an affiliated health organisation – a Schedule 3 Hospital, like St Vincents Hospital,

⁶⁹ Submission 200, NSW Nurses and Midwives Association, p 36.

⁷⁰ Submission 200, NSW Nurses and Midwives Association, p 36.

⁷¹ Submission 200, NSW Nurses and Midwives Association, p 2; see also p 8.

⁷² Submission 108, Health Services Union, p 10.

Sydney – to enable greater control over the hospital and so that it can be properly integrated into the public health system.⁷³

2.18 Other inquiry participants who called for the government to buy back the hospital included Dr Suzanne Daly, Professor West, Dr Jonathan King and the Northern Beaches Greens.⁷⁴

2.19 ASMOF, which represents salaried doctors at the hospital, argued that 'the fundamental flaws in the PPP model have played out in the establishment and running of Northern Beaches Hospital to date. Hallmarks of the PPP model including short-sighted cost cutting and secrecy have thrived, unchecked by NSW Health.'⁷⁵ It thus proposed that in order to restore the confidence of the local community the NSW Government must take over the management of all patients at the hospital.⁷⁶

2.20 Like the Nurses and Midwives' Association, Dr Tony Sara, President of ASMOF, contended that PPPs can never provide equivalent safety and services for the same cost as a public hospital, also citing the Productivity Commission and McKell Institute. He argued that 'the rationale for privatisation – that the private operator will deliver better value for money for the Government – has been proven false time and time again', pointing to the recent reversion of Mildura Hospital in Victoria to government control, along with a further five out of eight hospital PPPs around Australia. Of the remaining two – Joondalup Hospital in Western Australia and Northern Beaches – he reported that Joondalup is performing poorly.⁷⁷

2.21 Asked why the PPP model fails in health care, Dr Sara responded, 'It is economics 101. You cannot provide a hospital for the same level of service and safety and the same quantity of experienced staff in the private sector for less money. It is just not possible.'⁷⁸ His colleague, Dr Anthony Joseph, NSW State Councillor for ASMOF, elaborated:

Public patients are often unpredictable in the costs incurred in the treatment. If you have a private surgical hospital you know what your costs are going to be. You go in to get your hernia done, you are out of there in two minutes—or, you know, a couple of days. If you have pneumonia and you are older and you have heart failure than you might get a clot in your leg—the care is unpredictable and so are the costs.⁷⁹

2.22 An individual who wrote to the committee expanded on this point, suggesting that the ability to make a profit within this context 'is a nonsense':

⁷³ Submission 200, NSW Nurses and Midwives Association, p 41.

⁷⁴ Evidence, Dr Jonathan King, Historian, author and local resident, 23 September 2019, p 2; Evidence, Dr Suzanne Daly, General Practitioner, 23 September 2019, p 5, Professor West, 23 September 2019, p 8, Submission 113, Northern Beaches Greens, p 7.

⁷⁵ Submission 225, Australian Salaried Medical Officer's Federation of NSW, p 3.

⁷⁶ Submission 111a, Palm Beach and Whale Beach Association, p 4.

⁷⁷ Evidence, Dr Tony Sara, President, Australian Salaried Medical Officers' Federation of NSW, 26 August 2019, pp 48-49.

⁷⁸ Evidence, Dr Sara, 26 August 2019, p 55.

⁷⁹ Evidence, Dr Anthony Joseph, Senior Staff Specialist, Emergency Department and Director of Trauma, Royal North Shore Hospital, and NSW State Councillor, Australian Salaried Medical Officers' Federation of NSW, 26 August 2019, p 55.

The cost of providing for the needs of sick or injured is unpredictable, [and] demands multiplicity of inputs from a team of highly trained and skilled personnel across a range of knowledge and abilities. Predictable algorithms of management that allow corporations to evaluate and manage the costs of caring for patients are extremely difficult to establish. The inherent variability is enormous and leads to patient assessment and evaluation that focuses on the immediately identifiable problem ignoring the other things that need to be done to ensure a full recovery for the sick individual. With an ageing population the number of problems requiring solutions in every individual escalate in number, but the requirement for cost effective medical care gets in the way of effective medical care. The private health insurance providers have distinct limits on what they will pay. Sick patients need an unquantifiable input of care and making what business managers would deem a satisfactory profit from sick patients is a nonsense.⁸⁰

2.23 Other community members who expressed concern about the risks of the PPP model, and/or disapproval of the partnership itself, included Mr Mark Horton, Mr Paul Cunningham, Ms Gloria Looby and numerous individuals whose names were suppressed.⁸¹

2.24 Dr Joseph suggested that when the Government decided to build the Northern Beaches Hospital under a PPP, it was aware of the inherent tension with private delivery of public health care but proceeded nonetheless. He further proposed that Healthscope cannot succeed in its task unless there is a significant integration of the hospital into the local health district:

I think the problem is that Healthscope actually cannot manage a public hospital. I think a lot of the doctors and nurses in there are very good and very dedicated and it is only because of their dedication that the hospital has worked to date. But unless we see an integration of Northern Beaches with the Northern Sydney Local Health District it will not pass the test of time.⁸²

2.25 Like other participants, the Northern Beaches Greens argued that Brookfield's control over the hospital via its ownership of Healthscope is not in the public interest, and questioned the profit element of any PPP. They also highlighted concerns about inefficiencies flowing from poor health outcomes that may result from the profit motive of private operators:

Patients have said they are being far too promptly discharged so their continuity of care is compromised. Avoidable readmissions are a huge cost to the health system. Patient safety lapses have a considerable personal and financial impact. Around 15% of most hospital's activity and expenditure is the direct result of adverse events. Unless this hospital drastically improves its clinical governance and organisational culture, it's likely to become a growing problem and an even bigger financial drain on the health system, while gaining itself a very negative assessment in the [National Safety and Quality Health Service] standards accreditation process.⁸³

2.26 The Australian Medical Association (NSW) (AMA (NSW)) told the committee that it had 'cautiously accepted' the decision to build the hospital under a PPP arrangement, on the basis

⁸⁰ Submission 175, Name suppressed, p 1.

⁸¹ Submission 223, Mr Mark Horton, p 10; Submission 109, Mr Paul Cunningham, p 1; Submission 181, Name suppressed, p 1; Submission 188, Name suppressed, p 1; Submission 198, Ms Gloria Looby, p 1; Submission 207, Name suppressed, p 1.

⁸² Evidence, Dr Joseph, 26 August 2019, p 56.

⁸³ Submission 113, Northern Beaches Greens, p 6.

that 'partnering with a private or not-for-profit hospital operator would allow the State Government to build much needed health infrastructure in the area and allow the hospital to be built faster at less expense to taxpayers.' In addition, because of 'a history of successive Government failures to provide appropriate infrastructure to the Northern Beaches', the AMA (NSW) had formed the view that 'the only way to deliver a first-class hospital in this area was through a public private partnership'.⁸⁴

2.27 The AMA (NSW) submission recognised that with the right conditions the PPP models can work well and 'despite the operational and management challenges faced early on by the Northern Beaches Hospital, it is too soon to declare the project a failure'. The AMA (NSW) cited Western Australia's Joondalup Health Campus as an example, which 'is now seen as a successful public private healthcare venture'.⁸⁵

2.28 Ms Fiona Davies, Chief Executive Officer, advised the committee that the AMA (NSW)'s view was that for the PPP to succeed, Healthscope needed to approach the Northern Beaches Hospital as a public hospital, however this has not transpired:

[W]e felt for the public private partnership to work the hospital needed to be built on an ideology that it was a public hospital being run by a private operator, rather than a private hospital that treated public patients. Unfortunately, in the planning stages and the initial stages of the operation of this hospital it was apparent that that was not the ideology that was being pursued.⁸⁶

2.29 The AMA (NSW) submission elaborated, then acknowledged recent steps on the part of the hospital to ensure a greater focus on public health care delivery:

Northern Beaches Hospital was impacted by the ideology on which it was built. AMA (NSW) is concerned that to date the project has been positioned as a private hospital providing services to public patients on behalf of NSW Health ... This position was evident in discussions leading up to the hospital opening, as well as in negotiations with the medical workforce. We believe that steps are now being taken to revert to a mindset by which Northern Beaches Hospital is seen more as part of the public hospital networked system. We encourage this process to continue.⁸⁷

2.30 Perhaps more positively, the Australian Society of Anaesthetists expressed pragmatic support for PPPs on the basis of the need for novel approaches to funding the ever increasing costs of the health system, whilst acknowledging the challenge of ensuring equitable care to public and private patients:

The ASA supports the model of public/private partnerships in the provision of high quality health care, as a way of ensuring the construction of much needed modern health institutions beyond the ability of the taxpayer to provide ... It is important to remember that a modern health system promising free care to all, regardless of means and funded by the taxpayer is not cheap to implement. An ageing population, advances in technology and increases in the cost of medical services is bound to have a significant

⁸⁴ Submission 229, Australian Medical Association (NSW), p 2; see also Evidence, Ms Fiona Davies, Chief Executive Officer, Australian Medical Association (NSW), 23 September 2019, p 27.

⁸⁵ Submission 229, Australian Medical Association (NSW), p 3.

⁸⁶ Evidence, Ms Davies, 23 September 2019, p 20.

⁸⁷ Submission 229, Australian Medical Association (NSW), p 3.

negative budgetary pressure. With that in mind it is necessary for the government to seek alternative funding models, such as public private partnerships and/or means testing access to free care in public hospitals. However, it is paramount to keep in mind that a strong, well-funded public system is vitally important to ensure health access is equitable. A public private partnership providing health care should not be a cause to the degradation of the public system, as demonstrated by Hawkesbury Hospital which has been a successful public/private partnership for many years.⁸⁸

- 2.31** The hospital's provision of equitable care is examined in detail in chapter 4.

NSW Health perspective

- 2.32** The committee also explored the risks and benefits of the public private partnership with NSW Health, along with the rationale for various aspects of the partnership and the deed.
- 2.33** NSW Health advised the committee that a key aim of the PPP, in which public and private services were integrated, was to maximise the range of services available to the community:

The hospital component of the project was progressed via a public private partnership model, designed to deliver an operator-led solution for the hospital. In particular, the model gave the non-public sector operator responsibility for integrating public and private health care services into a new, single facility building (to be licensed as a private facility, providing services to both public and private patients), to maximise the range and breadth of services available to the community of the northern beaches of Sydney.⁸⁹

- 2.34** Appearing before the committee in August 2019, Ms Deborah Willcox, Chief Executive of the NSLHD, underscored that this goal had been achieved:

It is true that the health services that are currently available to the community are far greater than what was previously available to the residents of the Northern Beaches. There is access to more complex care closer to home, including a state of the art emergency department, an advanced intensive care unit and additional surgical services.⁹⁰

- 2.35** Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, explained how the co-location aspect of the model assisted the expansion of specialist services on the Northern Beaches:

I think the ... benefit is actually leveraging those specialties that the private sector is able to bring in. The fact that there is a private hospital there as well as a public hospital means that is attractive to many of the clinicians to actually work there and provide services. That means that there are services available, specialties that are available, that were not available at either Manly or Mona Vale before.⁹¹

⁸⁸ Submission 225, Australian Society of Anaesthetists, p 5.

⁸⁹ Submission 224, NSW Health, p 3.

⁹⁰ Evidence, Ms Deborah Willcox, Chief Executive, Northern Sydney Local Health District, 26 August 2019, p 3.

⁹¹ Evidence, Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 26 August 2019, p 13.

2.36 Dr Lyons also elucidated the efficiency-related benefits of the PPP from NSW Health's perspective, by which Healthscope will provide services at a discount rate to that for all public hospitals:

One of the benefits out of this arrangement, this contract for services with the operator was that for the life of the contract there has been agreement of the services provided at Northern Beaches Hospital will be at a discount rate to the State price. The State price is calculated through the cost of all public hospital services. We calculate the State price every year and that is the rate at which we fund all of our public hospitals. The operator is actually providing a benefit to the State, providing services that we will ensure are delivered at the level required under the contract ... That discount is a result of the economies of having a larger hospital, where two hospitals that were smaller and had fixed costs were brought together and by the fact it is actually able to have private services on the same campus. There are benefits to having the volume of patients being cared for and economies of scale.⁹²

2.37 He further highlighted the benefit of the state of the art building, the costs of which were shared by the public and private sectors, and the establishment of a major health precinct in the area:

I think the advantages are that we get a \$600 million state of the art building. We actually make a contribution to that which reflects the public contribution, for the public side of things, but we get a facility which is much larger than that ... The arrangements are that we get the benefits of that infrastructure over the life of the agreement and then subsequently. Not only that, we get the benefits of some of the other things that I talked about: Some of the services that were not previously available, the technology that was not previously available, the attraction of actually having the private sector on site as well, the benefits that will come from ultimately having a number of services including general practice services on the site and I am sure there will be the attraction of a range of other health providers on the site as a result of creating a precinct for service delivery.⁹³

2.38 Asked by the committee why the Northern Beaches Hospital was built as a PPP rather than a public hospital, Dr Lyons noted that the decision as to the means of procurement was one that the NSW Government had made.⁹⁴ He then observed that there are other private or non-government operators within the state's hospital system:

I think there are many examples of where the public sector is actually having services provided through either private operators or non-government operators. That exists right throughout the system at the moment including, for example, St Vincent's Hospital, which is actually a non-government organisation—a charitable organisation—providing public services under a slightly different arrangement. But we have many examples of other operators who are actually providing public services right across the State. We are having other examples of PPPs in existence across the State. They are different types of arrangements for public-private partnerships, both at Calvary Mater Newcastle and Orange Hospital as examples.⁹⁵

⁹² Evidence, Dr Lyons, 26 August 2019, p 7.

⁹³ Evidence, Dr Lyons, 26 August 2019, p 13.

⁹⁴ Evidence, Dr Lyons, 26 August 2019, p 8.

⁹⁵ Evidence, Dr Lyons, 26 August 2019, p 8.

- 2.39** Dr Lyons advised that the PPP model adopted for any hospital is determined with a focus on how to best meet the health needs of a community:

These models ... are looked at on the basis of "How do we best procure an appropriate investment in capital and service to ensure that we can meet the needs of the local community?" That assessment is made from time to time as to which is the best way to provide for the service to be made available as quickly as possible to benefit the community. That is an assessment and a judgement that is made. We have many of those examples, as I said. Many of those are continuing to operate quite successfully across the system at the moment.⁹⁶

- 2.40** Dr Lyons also advised the committee that among those shortlisted for the PPP were not for profit organisations.⁹⁷

- 2.41** Questioned as to whether the government has, overall, saved money by closing Manly Hospital, by reducing services at Mona Vale and paying Northern Beaches Hospital, Dr Lyons responded the quantum amount of funding is actually greater now, but for a different level of service:

So overall, if you look at a direct comparison between the money that was provided to Manly and Mona Vale under the previous arrangements, there is more being provided to Northern Beaches but it is for a different level of service. As we have indicated, it is not like for like. There are actually a range of services that Northern Beaches is now providing which neither of those hospitals were able to provide previously. It reflects an appropriate level of resourcing for the level of service provided, and benchmarked against what we set as the State price, it is at a discount rate. So it is not as simplistic as saying, is it costing more at Northern Beaches, or less than it did previously? It is a different level of service that is being provided as we have contracted at a different level of activity. If you do a comparison about the cost of Manly and Mona Vale and Northern Beaches at the time that Northern Beaches opened, it reflects an appropriate level.⁹⁸

- 2.42** The committee also asked Dr Lyons to explain NSW Health's reference to annual payments to the hospital operator being subject to an annual cap. Mr Lyons responded that all public hospitals are subject to annual caps and emphasised that this aspect of the deed is consistent with arrangements for public hospitals:

Like any public hospital, we are all on fixed budgets so we have a cap on the amount of resources we have available to provide in any of our public hospitals. The arrangement with the operator is no different to that. As you know in public health one of the challenges we all have is the fact that we have increasing demand and we have finite resources. The arrangements that are in place for this contract and the annual notice is no different to the arrangements we have for the operation of any public hospital in this State ...⁹⁹

- 2.43** Dr Lyons identified a further potential benefit to the state system in the ability to test and possibly lift the efficiency and effectiveness of health services, in the presence of a private sector

⁹⁶ Evidence, Dr Lyons, 26 August 2019, p 8.

⁹⁷ Evidence, Dr Lyons, 26 August 2019, p 8.

⁹⁸ Evidence, Dr Lyons, 26 August 2019, p 10.

⁹⁹ Evidence, Dr Lyons, 26 August 2019, p 11.

comparator, suggesting that that is particularly valuable in the context of the rapidly evolving health system:

I think it is also important to reflect that what the public private partnership arrangement allows us to do is to test whether we are providing public services at a level—if we bring another operator in sometimes there is a sense that the public side of things continues to operate in the same way. We might not be as efficient or effective. Maybe other providers can do things better than we can, or maybe they will bring new ideas in about how they can provide care, which is something that will challenge us to think about how we can continue to provide the best services on the public side as well right across the New South Wales public health system. We are really committed to that. We are very open to the fact that things are moving quickly, technology is changing, models of care are shifting and we need to make sure that we are able to provide contemporary care right across the State for all of our communities.¹⁰⁰

- 2.44** The committee asked NSW Health what the financial ramifications for the state would be if the contract to operate the Northern Beaches Hospital was terminated. NSW Health responded that, 'The Project Deed includes provisions dealing with early termination. The financial implications of early termination will depend on the particular circumstances.'¹⁰¹

Healthscope perspective

- 2.45** The committee also explored aspects of the public private partnership with Healthscope.
- 2.46** In a similar vein to NSW Health, Healthscope identified improved patient outcomes, greater efficiency, and delivery of a flagship facility at reduced cost to the taxpayer as key benefits of the PPP:

The public private nature of NBH means that improved patient outcomes and operating efficiencies can be achieved through the sharing of clinical facilities, equipment and staff and has enabled delivery of a state of the art hospital to the community, with less cost to the taxpayer.¹⁰²

- 2.47** Mr Richard Royle, Interim Chief Executive Officer of the hospital, highlighted the expanded range of services and 'very strong team engagement' with the medical community.¹⁰³ His colleague Dr Simon Woods, Interim Director of Medical Services, commented on the colocation arrangements which make working at the hospital so engaging for medical specialists:

One of the real strengths of this arrangement is the ability for specialist doctors to co-locate their practice. As an ex-surgeon who had appointments in both public and private, I experienced what many doctors do: constantly having to commute back-and-forth, which is wasted time and also a source of stress and anxiety if you are concerned about the patient at your public hospital whilst going to attend a patient at a private hospital. In addition to those economies of scale, there are great attractions for specialists to co-locate their practice: It is safer because those doctors spend more time

¹⁰⁰ Evidence, Dr Lyons, 26 August 2019, p 13.

¹⁰¹ Answers to questions on notice, NSW Health, received 20 September 2019, p 4.

¹⁰² Submission 119, Healthscope Ltd, p 7.

¹⁰³ Evidence, Mr Richard Royle, Interim Chief Executive Officer, Northern Beaches Hospital, 26 August 2019, p 24.

on site and it leads to better engagement with those medical practitioners because it becomes very much their hospital. Coming into this from the outside, in December what I was absolutely struck by was the commitment of the specialists to this being their hospital and where they saw their future.¹⁰⁴

2.48 Healthscope provided a list of co-located specialists consulting from private, on site, consulting rooms at the hospital. In doing so, it noted that there were no on site private consulting rooms at Manly or Mona Vale Hospitals. The list of specialties as of September 2019 was as follows:

- breast surgery
- cardiology
- colorectal surgery
- gastroenterology
- general surgery
- geriatric medicine
- medical oncology
- neurology
- obstetrics and gynaecology
- orthopaedics
- paediatrics and fetal cardiology
- paediatrics
- plastic and reconstructive surgery
- rheumatology
- spinal surgery
- vascular surgery.¹⁰⁵

2.49 Heathscope also advised the committee of the higher levels of acute patient care now available at Northern Beaches, compared with those available at Manly and Mona Vale Hospitals, listing key examples as follows:

- Emergent cardiac catheterisation and surgery (not previously available).
- Low dose CT scanning for children (not previously available).
- MRI scanning (not previously available).
- Elective birthing from 32 weeks gestation (previously 36), with 14 special care nursery beds.
- Well-equipped theatre complex with 17 operating rooms and three advanced imaging suites.
- Onsite and on-call interventional radiology (not previously available).
- Increase in sub-specialties onsite (neurology, renal medicine, haematology, endovascular surgery).
- Doubling of capacity in renal dialysis services (expansion from six to 12 chairs).
- Increased emergency medicine consultant cover.
- Higher level intensive care medicine services, including 20 ICU beds.¹⁰⁶

¹⁰⁴ Evidence, Dr Simon Woods, Interim Director of Medical Services, Northern Beaches Hospital, 26 August 2019, p 24.

¹⁰⁵ Answers to questions on notice, Healthscope Ltd, received 20 September 2019, p 5.

¹⁰⁶ Submission 119, Healthscope Ltd, p 8.

- 2.50** Healthscope added that the Northern Beaches community now has neurosurgery and cardiothoracic surgery available for private patients.¹⁰⁷
- 2.51** Mr Stephen Gameren, Healthscope's State Manager for Hospitals, NSW and ACT, noted as a further benefit that the new building had been designed to enable expansion of the hospital in the future as needed:

I am aware that when the hospital was designed there were lots of soft spaces built in for expansion of certain services to expand into the footprint of the site itself, so with either private or public beds—whatever is required—then capital could be sought to expand the hospital. That has been built in. I guess one of the advantages of building now and not trying to renovate, for want of a better word, an existing hospital or do a development onto an existing site. Those planned or softer areas for expansion were built into the plan so that approvals could be sought through the appropriate channels and the hospital expanded into the future.¹⁰⁸

The culture of the private operator

- 2.52** A specific area of concern for community and other stakeholders with respect to the public private partnership related to the culture of the private operator. There was a sense among numerous inquiry participants that the PPP has set the scene for a fundamental dissonance between the values of the private sector operator and the public hospital services for which it is now responsible. A number of participants pointed to Healthscope's lack of expertise in public health care provision, and perhaps a cultural resistance to the public system, as significant contributors to the Northern Beaches Hospital's initial and ongoing challenges.
- 2.53** The hospital's role and delivery of services in respect of public versus private patients is examined in detail in chapter 4. For now the focus is on community and other stakeholders' concerns about what they saw was the imposition of a private sector culture onto the provision of public health care in their local area.
- 2.54** Dr Suzanne Daly, a general practitioner of 40 years' standing in the Northern Beaches area, proposed that many of the hospital's difficulties are rooted in the PPP itself and the profit motive of private health care provision, suggesting that, 'Profit is the main driver, not care.'¹⁰⁹ Similarly, Dr Elana Roseth, a GP of 20 years, expressed concern about 'a culture that values and promotes private over public health' as a key driver of the hospital's problems.¹¹⁰
- 2.55** Dr Jonathan Page, a medical oncologist who moved over to the new hospital following the closure of Mona Vale Hospital but resigned in August 2019, spoke of the Northern Beaches Hospital as a 'compassion free zone'¹¹¹ in its early days, when medical staff worked in survival mode in the face of extraordinary difficulty, which senior executives did not understand or address:

¹⁰⁷ Submission 119, Healthscope Ltd, p 8.

¹⁰⁸ Evidence, Mr Gameren, 26 August 2019, p 29.

¹⁰⁹ Evidence, Dr Daly, 23 September 2019, p 4.

¹¹⁰ Submission 44, Dr Elana Roseth, p 1.

¹¹¹ Evidence, Dr Jonathan Page, Medical Oncologist, 5 November 2019, p 5.

The lack of compassion and understanding [towards staff] was in the administration and the executive and the people who should have known that this would happen. So, no, my colleagues are fantastic ... There is plenty of compassion there but not in the people who set up the structure ... And when we went to such people to say, "This is intolerable," we did not get a compassionate response. There was no apology. It was just, "What would you like us to do?"¹¹²

- 2.56** Dr Page told the committee that he saw the numerous systemic problems that led to his decision to resign as linked to going to the issue of organisational culture:

It was a cultural matter. What I saw in the main people we were dealing with—and there were not many meetings about the detail—and the features I felt were present were arrogance, ignorance and a lack of care. That is a dangerous triad.¹¹³

- 2.57** Asked whether he supports PPPs, Dr Page responded, 'Not anymore' and emphasised the lack of experience on the part of Healthscope in the provision of public hospital care as a key factor in the hospital's difficulties:

This is my first personal experience of it, apart from working in public hospitals that had a co-located private hospital—say, North Shore and North Shore Private. That was a model operated by different organisations—one by the State Government and one by a private company—that interrelated quite well. This system has been shambolic and I think it has been because of the lack of experience of the private operator in understanding the intricacies of public hospital care.¹¹⁴

- 2.58** The Clareville and Bilgola Plateau Residents Association raised significant questions about the culture of the hospital:

A brand new hospital with state of the art medical technology can only be a place of medical care and healing with a culture which encourages passionate, effective and caring staff. It seems there has been a major breakdown in creating this kind of caring environment and it is vital for us on the Northern Beaches to understand why. The questions start at the top.¹¹⁵

- 2.59** The NSW Nurses and Midwives' Association observed that Healthscope has not shied away from the fact that it is 'a private hospital treating public and private patients', and that, 'There is a world of difference between the way that public and private hospitals operate'.¹¹⁶ Similarly, the HSU spoke of 'the imperatives of a for-profit institution' that encourage throughput and work against a holistic view of patients' needs, as highlighted by allied health members of that union employed at the hospital:

The prevalence of pressure injuries in newly discharged NBH patients was also reported during HSU interviews with allied health staff working in rehabilitation and therapy within the NSLHD. These practitioners share a perception that care at the NBH is 'too localised', there is 'no holistic approach', and there is a fear that 'they focus on treating the one issue and are pressured to push the patients through the system.' Their reports

¹¹² Evidence, Dr Page, 23 September 2019, p 8.

¹¹³ Evidence, Dr Page, 23 September 2019, p 5.

¹¹⁴ Evidence, Dr Page, 5 November 2019, p 8.

¹¹⁵ Submission 194, Clareville and Bilgola Plateau Residents Association Incorporated, p 1.

¹¹⁶ Submission 200, NSW Nurses and Midwives Association, p 8.

are anecdotal, but come from knowledgeable observers with many years' collective experience.¹¹⁷

- 2.60** Mrs Helena Mooney, Co-founder of the Friends of Northern Beaches Maternity Services, highlighted to the committee what she saw as a conflict of interest at play in Healthscope's provision of both public and private maternity services, in that the latter is highly profitable:

For us, there is a real financial conflict of interest in having a private company running highly profitable maternity services. It is not in their financial interest to expand this proven popular public form of care with midwifery group practice. We feel that that is a huge area of concern ... Our recommendations are that public maternity should not be in the hands of a private company seeking to make profit from it. At the very least, there need to be very clear and transparent procedures for ensuring that corporate financial interests do not govern the provision of public health services.¹¹⁸

- 2.61** Dr Sara of ASMOF summarised, 'What they built was a private hospital and it had the tenor and the operations of a private hospital, not the tenor and the operations of a public hospital.'¹¹⁹ Similarly, the ASMOF submission stated:

They demonstrated that they have little expertise in delivering public hospital health services, and concerningly, have actively resisted identifying NBH as a public hospital or integrating NBH into the public health system.¹²⁰

- 2.62** On the latter point, Dr Anthony Joseph, a senior staff specialist in the Emergency Department and Director of Trauma at Royal North Shore, who is a NSW State Councillor of ASMOF, told the committee that Healthscope staff 'seemed reluctant to collaborate with long-established clinical units at Royal North Shore'.¹²¹

- 2.63** For the Save Mona Vale Hospital Community Action Group, this cultural difference has been evident in very poor levels of consumer engagement at the hospital:

Consumer participation in healthcare is a key NSW Health platform. Consumer participation and engagement is regarded as fundamental in strategic planning, service planning, service delivery and service evaluation. Listening to and acting upon consumer and community views are important. Despite this, the views of Pittwater consumers are ignored. There seems to be no requirement or opportunity for consumer participation at NBH, as there is in public hospitals.¹²²

- 2.64** The committee returns to the issue of consumer and community engagement in the final chapter of the report.

¹¹⁷ Submission 108, Health Services Union, p 6.

¹¹⁸ Evidence, Mrs Helena Mooney, Co-founder, Friends of Northern Beaches Maternity Services, 26 August 2019, p 32; see also Submission 170, Friends of Northern Beaches Maternity Services, p 8.

¹¹⁹ Evidence, Dr Tony Sara, President, Australian Salaried Medical Officers' Federation of NSW 26 August 2019, p 50.

¹²⁰ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 3.

¹²¹ Evidence, Dr Anthony Joseph, Australian Salaried Medical Officers' Federation of NSW 26 August 2019, p 49.

¹²² Submission 121, Save Mona Vale Hospital Community Action Group, p 58.

Transparency and oversight

2.65 A key theme of this inquiry has been the sufficiency of information available to the community, doctors and other stakeholders regarding how the Northern Beaches Hospital would operate and be managed. There was significant concern about transparency in respect of the hospital and the PPP, matched with a sense that what stakeholders were led to expect from the new hospital did not match what came to be. The key views on transparency and oversight in respect of the PPP in broad terms are documented below, with specific aspects of transparency taken up in subsequent chapters of this report.

Community and other perspectives

2.66 A number of community groups and individuals highlighted a lack of transparency in respect of the PPP. The Palm Beach and Whale Beach Association, for example, reported that the published contract does not identify the services to be provided at the hospital:

There is a contract between Healthscope and the NSW Government that is available on the Internet, however it makes no reference to individual services. The inquiry should obtain the contract, that Dr Woods has referred to limiting the services to be provided by NBH. The inquiry needs to investigate why the contract has been drawn up in this way. The public have a right to know what services they can expect to receive at the NBH.¹²³

2.67 Similarly, the Save Mona Vale Hospital Community Action Group called for greater transparency in respect of patient care, suggesting that the requirements to on the private provider to publish performance data are less than that for public hospitals:

It appears that as a privately-owned hospital, NBH has no obligation to provide performance information to the government or public. Detailed performance statistics were always available for MVH and Manly Hospitals, providing the community with up to date information on their local hospitals. This lack of information further undermines the community's confidence in the NBH.¹²⁴

2.68 The Action Group further argued that without the full contract having been published, important questions remain unanswered about the closure of Manly and Mona Vale Hospitals:

[Save Mona Vale Hospital Community Action Group] has seen a summary of the contract, although we believe the full contract has not been released to the public. As a result, we believe serious questions remain as to the terms of the contract – and in particular, whether the contract specified that the NSW Government was required to close Manly Hospital and acute services at Mona Vale Hospital at the time that NBH began accepting patients. We find it hard to believe that these facilities would have been closed without some contractual obligation, when the new hospital and its systems were completely untried.¹²⁵

2.69 Mrs Mooney, whose concerns about the provision of maternity services at NBH are documented in chapter 4, argued that the exclusion of key performance indicators (KPIs) in the

¹²³ Submission 111a, Palm Beach and Whale Beach Association, p 3.

¹²⁴ Submission 121, Save Mona Vale Hospital Community Action Group, p 25.

¹²⁵ Submission 121, Save Mona Vale Hospital Community Action Group, p 9.

published contract undermines accountability in respect of patient groups and notably the outcomes women and babies.¹²⁶ The Friends of Northern Beaches Maternity Services thus argued for a detailed range of performance measures to be tracked and reported on in the interests of transparency, and ultimately to ensure that ensure that Healthscope is accountable for upholding the same standards of care as public hospitals.¹²⁷

- 2.70** Like others, the Northern Beaches Greens argued that a lack of transparency in respect of the PPP has undermined the community's trust, underscoring the public's right to know such information:

The absence of accountability and transparency with such limited access to the contracts for the transaction, plus the confidentiality agreements, have created a trust problem. Although this was paid for by the public purse, it's impossible to know what assurances have been given.

It is unacceptable that the real costs remain unknown, including the reason why \$2.1 billion was made in total payments to the private operator ... It is particularly concerning that details of these arrangements, ongoing data, tax structures, public/private differentiation, clinical capacity, staff contracts and cost shifting were not made publically available.¹²⁸

- 2.71** The Nurses and Midwives' Association also highlighted the absence of transparency in respect of the deed,¹²⁹ and recommended that NSW Health 'make known to the public what obligations and public health services are expected and required to be provided by Healthscope' and 'reveal what KPIs are specifically established for Healthscope by the [deed] and how these are tracked'.¹³⁰

- 2.72** Similarly, ASMOF expressed concern that it will be difficult to conclusively assess how the hospital's standards of care and service provision have improved, due to a lack of publicly available information and insufficient transparency with regard to KPIs themselves and whether they are being met. It also stated that there 'appears to be a lack of consistency between the KPIs set for other hospitals in the NSW Public health system and those for NBH'.¹³¹ In addition, Dr Sara indicated to the committee that transparency was also an issue from the perspective of doctors, especially during the consultation and planning stages of the new hospital:

It is almost unbelievable to us that for four years ASMOF and our members were kept entirely in the dark about what services would be provided at Northern Beaches Hospital and what working conditions would be offered. It is hard to fathom that a public hospital would be set up without the advice of senior doctors with decades of experience working at public hospitals ... Doctors were not only kept in the dark when

¹²⁶ Evidence, Mrs Mooney, 26 August 2019, p 31; see also Submission 170, Friends of Northern Beaches Maternity Services, p 6.

¹²⁷ Submission 170, Friends of Northern Beaches Maternity Services, p 7; Evidence, Mrs Mooney, 26 August 2019, p 38.

¹²⁸ Submission 113, Northern Beaches Greens, p 1; see also Submission 1, Dr Caroline Rogers, p 1.

¹²⁹ Submission 200, NSW Nurses and Midwives Association, p 7.

¹³⁰ Submission 200, NSW Nurses and Midwives Association, p 42.

¹³¹ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 15.

they did speak up or raise concerns, they were ignored, only to find that everything they had been warned about would come to fruition.¹³²

- 2.73** Likewise, the HSU reported that during the consultation process it was very difficult for unions to obtain information for their members, describing Healthscope officials as 'uncooperative' and 'hostile', such that the union ultimately sought the assistance of the Minister and the Industrial Relations Commission. It advised the committee:

As an example of the hostility towards consultation with employees, following repeated requests for details of models of care, Healthscope continuously advised that it had not as yet developed those models. Finally, just two months out from the new hospital opening, Healthscope stated to the unions that it would not be providing the proposed models of care to staff.

Despite requests for discussions on service models, rosters, ensuring that staff were equipped to do their job, two weeks out from the transfer of the staff and rosters were not prepared. As well, it wasn't until staff were taken on an induction tour of the new hospital that they became aware of the requirements of their work.¹³³

- 2.74** Looking to the future, participants called for greater and more transparent oversight of the hospital. Dr Sara of ASMOF, for example, argued that, 'We need major reform at Northern Beaches Hospital with proper oversight from the government and the LHD and genuine integration into our public health system.'¹³⁴ In a similar vein, his colleague Dr Joseph commented:

I think that while Healthscope may be able to address some of the concerns that led to this inquiry, it will require a lot more transparent oversight by both the New South Wales Ministry of Health and the Northern Sydney LHD. Given the progress to date, that looks less likely to occur, while the models of care rely on one that is profit driven.¹³⁵

- 2.75** In addition, Dr Page called for 'a greater degree of surveillance over the functioning of this hospital by Healthscope and whoever follows them.'¹³⁶

NSW Health perspective

- 2.76** Beyond the information on oversight, governance and transparency documented in chapter 1, the committee sought further comment from NSW Health representatives. Ms Willcox explained the governance arrangements under the PPP in a nutshell, with Healthscope responsible for operation, and NSW Health providing support and assistance:

Under the project deed, Healthscope is required to deliver services to public patients at a standard expected of all New South Wales public hospitals. NSW Health and the district are responsible for ensuring that Healthscope meets its contractual obligations as set out under the deed and to monitor performance under a performance

¹³² Evidence, Dr Sara, 26 August 2019, p 48.

¹³³ Submission 108, Health Services Union, p 2.

¹³⁴ Evidence, Dr Sara, 26 August 2019, p 4

¹³⁵ Evidence, Dr Joseph, 26 August 2010, p 50.

¹³⁶ Evidence, Dr Page, 5 November 2019, p 5.

management framework. The governance group, the operational services group, oversees the performance of Healthscope and is co-chaired by Healthscope and NSW Health.¹³⁷

2.77 Ms Willcox also gave greater detail on the governance arrangements in practice:

There is a very rigorous governance arrangement we have with Northern Beaches Hospital. As I have shared with the Committee previously, the day to day management of the hospital is for the hospital. My job is to oversee the management of the contract and the purchasing of public patient activity from them. We have a series of governance meetings and an operational services group meeting with the executive of the hospital and the executive of the district every fortnight. During those meetings we go through performance matters, operational issues, matters that are relevant—interface issues between our services and the hospital. There is also a senior executive group that the Ministry is represented on. That is held monthly. So we are in constant dialogue with the hospital on a day to day basis.¹³⁸

2.78 Asked whether she can conduct unannounced visits to the hospital, Ms Willcox indicated that she 'most definitely' can, but it is her practice to work more collaboratively, and there is a free flow of communication between the LHD and Northern Beaches Hospital:

I would usually ring them and let them know I am coming over. There would be no need to turn up unannounced but I would arrive at the hospital and greet the volunteers on the front desk, as I have done on many occasions, and then let them know that I would like to go and visit the executive team. They would call them and up in the lift I would go. Our staff move between the district and the hospital on a regular basis. I have a Director of Relationships with Northern Beaches Hospital and he frequently hosts meetings from the hospital, or we do them by teleconference, but there is a very free flow of personnel and conversation between the district and the hospital.¹³⁹

2.79 In respect of transparency, asked whether the hospital's performance and abatement data is publicly available, Ms Willcox explained that 'Because they are a standalone private hospital, the performance reporting is their performance report, but the framework that is applied to them is all available on the project deed website.'¹⁴⁰ Dr Lyons added that NSW Health publicly reports on a quarterly basis the performance of all public hospitals across New South Wales, via the Bureau of Health Information [BHI], which reports independently. He indicated that as of August 2019, Northern Beaches Hospital was included in the last quarterly report and will be included in future reports also.¹⁴¹ As there were issues with the data prior to that point, the Northern Beaches Hospital was not included in the first quarterly report for the year.¹⁴²

2.80 Questioned as to whether the Northern Beaches Hospital shares the same KPIs as those for other public hospitals, Ms Susan Pearce, Deputy Secretary, Patient Experience and System Performance, NSW Health, indicated, 'Yes, indeed. They are a very similar set of KPIs. However, my understanding is that to some extent at least the KPIs for the Northern Beaches

¹³⁷ Evidence, Ms Willcox, 26 August 2019, p 3.

¹³⁸ Evidence, Ms Willcox, 5 November 2019, p 32.

¹³⁹ Evidence, Ms Willcox, 5 November 2019, p 32.

¹⁴⁰ Evidence, Ms Willcox, 26 August 2019, p 14.

¹⁴¹ Evidence, Dr Lyons, 26 August 2019, pp 14-15.

¹⁴² Evidence, Dr Lyons, 26 August 2019, p 15.

Hospital are higher than other hospitals.¹⁴³ Further asked to confirm that there is no difference between what NSW Health will publish in relation to the Northern Beaches Hospital KPIs and a fully public hospital, Ms Pearce responded, 'That is my understanding, yes.'¹⁴⁴

- 2.81** In relation to ASMOF's concern that it will be difficult to conclusively adjudge the hospital's improvements because of a lack of publicly available information on the hospital's performance against KPIs, Ms Pearce responded that has now been addressed via the significant work to resolve the hospital's IT issues (documented in chapter 6), which will enable the hospital's performance to be reported by the Bureau of Health Information:

Now that we have got the information and communication technology [ICT] program working and are able to share that information we will be able to publish a more fulsome set of data against the performance of the Northern Beaches Hospital, which as with every hospital publishing those reports will be publicly available.¹⁴⁵

- 2.82** Ms Willcox added that 'the Bureau of Health Information will be publishing a full suite of performance activities now that the internal systems within Healthscope have been resolved and will enable that to be independently published.' Ms Pearce further assured the committee that:

[T]hrough the KPI reporting that [the Bureau of Health Information] does for all of our hospitals you can clearly see hospitals that are meeting their KPIs and those who are not. The Northern Beaches Hospital will be treated in the same way as everyone else in that regard ... in the interests of transparency, obviously reporting against KPIs for the Northern Beaches Hospital will be the same.¹⁴⁶

- 2.83** The committee also sought to understand whether Healthscope has any requirement under the deed to publish information about its abatements. Following the hearing, NSW Health responded that 'Specific results against identified key performance indicators are confidential information under the 'Project Deed', and are not published.'¹⁴⁷ However, other performance data required to be provided to NSW Health is then published by the Bureau of Health Information and other means of established public communication. In addition, Healthscope publishes a range of performance data on its own website, <http://www.healthscopehospitals.com.au/quality/my-healthscope/northern-beaches>, however the project deed does not require Healthscope to publish specific data in the public domain.¹⁴⁸

- 2.84** The committee took up with both NSW Health and Healthscope the specific concern that the targets and thresholds for maternity services have been redacted in the public copy of the project deed. NSW Health subsequently acknowledged that these items were redacted from the public

¹⁴³ Evidence, Ms Pearce, Deputy Secretary, Patient Experience and System Performance, NSW Health, 5 November 2019, p 39.

¹⁴⁴ Evidence, Ms Pearce, 5 November 2019, p 39.

¹⁴⁵ Evidence, Ms Pearce, 5 November 2019, p 39.

¹⁴⁶ Evidence, Ms Willcox and Ms Pearce, 5 November 2019, p 41.

¹⁴⁷ Answers to questions on notice, NSW Health, received 6 December 2019, p 3; see also p 8.

¹⁴⁸ Answers to questions on notice, NSW Health, received 6 December 2019, pp 3 and 8.

copy of the project deed, in line with commercial in confidence provisions in the deed. Both organisations released the information to the committee.¹⁴⁹

Performance monitoring, payments and abatements

- 2.85** As documented in chapter 1, a mechanism is built into the deed's monthly payment framework by which the payments made to Healthscope by NSW Health are reduced as a result of service delivery falling below service specifications and KPIs. Such deductions are referred to as abatements (see paragraph 1.34).
- 2.86** In the interests of transparency, the committee sought from Healthscope and NSW Health more information on the payment process and abatements mechanism, as well as the abatements that have occurred to date.

Healthscope perspective

- 2.87** Mr Andrew Spillane, Director of Finance at the Northern Beaches Hospital, explained the monthly payments process:
- Northern Beaches Hospital is funded on a basis that is almost identical in all respects to the way that all other New South Wales public hospitals are funded. It is an activity based funding formula which has been agreed nationally with the Commonwealth. Against that background, we submit an activity statement to the local health district that identifies the types, volume and acuity of patients that we have treated during the month based on the diagnosis related grouping code that is assigned to their care. On the basis of that a formula is applied to calculate a payment amount.¹⁵⁰
- 2.88** Mr Gameren advised that the hospital provides data on a daily basis through to the Ministry of Health. Healthscope meets fortnightly with NSW Health and the LHD to discuss the hospital's performance against the 80 or so KPIs set out in the contract.¹⁵¹
- 2.89** Following the opening of the hospital, Healthscope applied itself abatements for the November 2018 period, in lieu of not having met its KPI for length of stay in the emergency department.¹⁵² In that period, the first month of operations, there were 17 instances where the patient stayed over 24 hours.¹⁵³
- 2.90** Asked at the November 2019 hearing what the amount of the abatements was, Mr Spillane declined to provide this information on the basis that it 'is a matter of commercial in

¹⁴⁹ See answers to questions on notice, NSW Health, received 20 September 2019, Tab A; Answers to questions on notice, Healthscope Ltd, received 20 September 2019, pp 2-3. These are published on the inquiry website under 'Other documents'.

¹⁵⁰ Evidence, Mr Andrew Spillane, Director of Finance, Northern Beaches Hospital, 26 August 2019, p 20.

¹⁵¹ Evidence, Mr Gameren, 26 August 2019, p 17.

¹⁵² Evidence, Mr Gameren, 26 August 2019, p 17.

¹⁵³ Evidence, Mr Andrew Newton, Chief Executive Officer, Northern Beaches Hospital, 5 November 2019, p 17.

confidence.¹⁵⁴ He indicated that as of October 2019, 12 months after opening, Healthscope was now meeting its emergency treatment KPI.¹⁵⁵

2.91 Following that hearing, Healthscope provided the following information about other abatements for not having met KPIs:

- percentage of complaints (complaints management) resolved within 35 days: December 2018 and March 2019
- total number of staphylococcus aureus bloodstream infections, represented as total number per 10,000 occupied bed days: December 2018 - February 2019
- number of women who give birth vaginally who receive a blood transfusion during the same admission: June 2019.¹⁵⁶

NSW Health perspective

2.92 Consistent with the information provided in chapter 1, Ms Willcox gave an overview of the performance monitoring framework for the hospital:

There is a performance framework that forms part of the contractual arrangements with the operator so that we are able to adequately monitor the performance. That goes to emergency departments, surgery, quality, safety—a raft of measures. Some of these are monitored weekly, some are monthly and some are three-monthly. The Australian Council of Healthcare Standards have some KPIs and they mostly rotate on a six-monthly basis. So there are points attributed to those particular KPIs or key performance measures, and it is on that basis that we track the performance.¹⁵⁷

2.93 Ms Willcox further explained the abatements process and the Department's review and reconciliation process:

And then what happens is that hospital itself would provide its data to us, acknowledging where they had underperformed or performed, so they actually apply the abatement to themselves. The information comes through to the local health district and some goes forward through to the Ministry. We reconcile the data and confirm its accuracy from our perspective. Then Healthscope proceeds to invoice us for the care provided with the abatements already removed or subtracted.¹⁵⁸

2.94 Ms Willcox advised that there were three areas of underperformance in the months following the opening:

[T]he key areas where we saw some early under performance were patients staying in the emergency department for over 24 hours. There was also a slight increase in some hospital acquired infections. There were also some issues around complaints not being completed within the 35-day timeframe.¹⁵⁹

¹⁵⁴ Evidence, Mr Spillane, 5 November 2019, p 23.

¹⁵⁵ Evidence, Mr Spillane, 5 November 2019, p 23.

¹⁵⁶ Answers to questions on notice, Healthscope Ltd, received 9 December 2019, p 3.

¹⁵⁷ Evidence, Ms Willcox, 5 November 2019, p 31.

¹⁵⁸ Evidence, Ms Willcox, 5 November 2019, p 31.

¹⁵⁹ Evidence, Ms Willcox, 5 November 2019, p 31.

2.95 Asked about mechanisms to oversight patient safety, NSW Health explained the hospital's safety, quality and Risk Management Framework:

The Northern Beaches Hospital Safety, Quality and Risk Management framework describes Northern Beaches Hospital's approach to clinical safety and quality, and the internal accountability for achieving high quality standards and the reduction of risk.

The Project Deed sets out specific key performance indicators (KPIs) used to measure performance of Northern Beaches Hospital.

A number of the KPIs are drawn from the Australian Council on Healthcare Standards (ACHS) dataset and results are benchmarked against peer reporting facilities. This includes clinical indicators measuring emergency, surgery, mental health outcomes (for example. seclusion), obstetrics, and hospital acquired infections (for example, staphylococcus aureus bloodstream infections).

Northern Beaches Hospital must also comply with quality and safety standards required to maintain their private hospital licence.

In addition to the KPI regime, Northern Beaches Hospital must work with NSW Health in providing data in line with the data provided by other NSW public hospitals. This includes data on Hospital Acquired Complications (for example hospital acquired pressure injury), Mental Health (for example, absconding, restraint and seclusion) and surgery (for example, Overdue Elective Surgery Patients).

Northern Beaches Hospital complies with relevant legislation or statutory bodies with respect to Reportable Incidents, Sentinel Events and Root Cause Analysis (RCA).

Northern Beaches Hospital was assessed against the National Safety and Quality Health Service Standards (NSQHS Standards) in November 2018 and interim accreditation was achieved (as per new hospital assessment). Northern Beaches Hospital underwent full assessment again in November 2019, and achieved full accreditation without recommendations.¹⁶⁰

Committee comment

2.96 The committee takes up a number of the concerns documented in this chapter in later chapters of this report. For now we observe that numerous key stakeholders to this inquiry had fundamental reservations about the public private partnership under which the hospital was built and will operate for at least the next 19 years. Those broad and fundamental concerns underpin many of the specific issues that were highlighted during this inquiry.

2.97 Three key and related themes have emerged in this chapter that continue throughout the report: first, the perceived dissonance in values between the private operator and the public hospital services for which it is now responsible on the Northern Beaches; second, the critical need for transparency in respect of the partnership and the deed; and third, the imperative for Healthscope and the hospital to better engage with the community that they serve.

¹⁶⁰ Answers to questions on notice, NSW Health, received 6 December 2019, p 7.

Chapter 3 The hospital's opening

At the opening of the Northern Beaches Hospital (NBH), the NSW Government praised it as 'life-changing infrastructure' that would be a 'world-class public hospital like no other' for the Northern Beaches community.¹⁶¹ In the following days and weeks however, media and anecdotal reports quickly emerged of serious problems at the hospital, significantly impacting staff and patients. These problems culminated in the resignation of the hospital's Chief Executive Officer, Director of Medical Services and Director of Nursing, and became the catalyst for the committee's inquiry.

This chapter examines the opening of the Northern Beaches Hospital in two key respects. First it explores the evidence the committee received about various aspects of the hospital's readiness to open. It then documents a number of staffing related issues that marked the opening period. While most of these issues related to the early period of the hospital's opening, some have been longer lasting.

In a third section, the chapter explores the specific experience of junior medical officers and the protracted Health and Education Training Institute accreditation process that reflected so many of the issues documented in the previous two sections. The chapter concludes by exploring the perspective of both Healthscope and NSW Health on these matters.

Readiness to open

3.1 A critical focus of inquiry participants' concerns was the hospital's readiness to open. Stakeholders highlighted a range of issues including insufficient numbers of medical and support staff, poor staff orientation, inadequate quantities of medical supplies, poor planning for emergency care and problems with information technology. Each of these concerns is discussed in turn below.

Insufficient medical and support staff

3.2 Inquiry participants highlighted to the committee the inadequate numbers of medical, nursing and other staff at the time of opening.

3.3 Mr Brett Holmes, General Secretary of the NSW Nurses and Midwives' Association, described the 'massive' shortfall in staff numbers when the hospital opened its doors.¹⁶² He remarked that NSW Health and Healthscope should have anticipated a 'drag experience' in the opening period, in which many more patients presented to a new facility compared to the numbers utilising the previous one. Mr Holmes explained that this had occurred at every opening of a new hospital across New South Wales and further argued, 'it is impossible to accept that Healthscope or the Local Health District or the Ministry did not either know the real poor state of staffing that would be in evidence from day one or, at the very least did not harbour strong suspicions of its failings'.¹⁶³

¹⁶¹ Media release, Hon. Gladys Berejiklian MP, Premier, 'Northern Beaches Hospital officially open', 19 November 2018.

¹⁶² Evidence, Mr Brett Holmes, General Secretary, NSW Nurses and Midwives' Association and Branch Secretary, Australian Nursing and Midwifery Federation NSW, 26 August 2019, p 64.

¹⁶³ Evidence, Mr Holmes, 26 August 2019, pp 61, 64.

- 3.4** Mr Holmes also reported that because there were not enough permanent staff at the time, the hospital had relied on agency and locum staff to fill the gaps both initially and over an extended period. Indeed, he contended that for months after the opening, there were instances of more than 100 agency staff being employed per shift. According to Mr Holmes, agency staff received a one day orientation prior to commencing at the Northern Beaches Hospital, and due to this minimal introduction, they lacked the relevant experience and expertise to carry out their duties as they were unaware of the physical layout of the hospital, where to find items, and what the policies and procedures were.¹⁶⁴ He also described the effect it had on permanent staff, who felt 'professionally liable for what was going on about them but powerless to make effective change' and were constantly concerned that their registration was at risk.¹⁶⁵
- 3.5** Unions NSW reported that union members had raised concerns about their excessive workloads as a result of staff shortages and the hospital's inability to find replacement employees.¹⁶⁶ The Australian Salaried Medical Officers' Federation (ASMOF) reported that senior and junior medical staff put in many hours of unpaid work, including working after hours and weekends because of their concern to ensure that the hospital was able to adequately and safely manage patients.¹⁶⁷

Poor orientation

- 3.6** The issue of staff orientation was also raised more broadly. The Australian Medical Association (NSW) (AMA (NSW)) informed the committee that permanent staff were given only six business days notice before the orientation weekend, which fell during the school holidays and only a month before the hospital was due to open. Many doctors were on leave, and those working elsewhere that weekend had to cancel commitments and forego income in order to attend.¹⁶⁸ The Health Services Union (HSU) further reported that the last minute and minimal training staff received led to general confusion once the hospital opened as staff could not direct patients where to go around the building.¹⁶⁹

Inadequate medical supplies

- 3.7** The committee heard that during the opening weeks, there was a lack of basic supplies and equipment at the hospital. Key stakeholders referred to reports of nurses driving to Manly and Mona Vale Hospitals to raid skip bins and obtain supplies that were unavailable at the new hospital,¹⁷⁰ of not enough body bags in the morgue¹⁷¹ and insufficient quantities of routinely

¹⁶⁴ Evidence, Mr Holmes, 26 August 2019, p 64.

¹⁶⁵ Evidence, Mr Holmes, 26 August 2019, p 66.

¹⁶⁶ Submission 212, Unions NSW, p 4.

¹⁶⁷ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 7.

¹⁶⁸ Submission 229, Australian Medical Association (NSW), p 5.

¹⁶⁹ Submission 108, Health Services Union, p 7.

¹⁷⁰ Evidence, Dr Tony Sara, President, Australian Salaried Medical Officers' Federation of NSW, 26 August 2019, p 50; Evidence, Mr Parry Thomas, Chairman, Save Mona Vale Community Action Group, 26 August 2019, p 34; Submission 121, Save Mona Vale Hospital Community Action Group, p 29.

¹⁷¹ Evidence, Mr Thomas, 26 August 2019, p 34.

used medication, IV antibiotics, fluids and stock.¹⁷² The HSU quoted members' accounts of having one mop and bucket to use for two wards and then it taking up to nine weeks to obtain additional supplies.¹⁷³

- 3.8** According to Dr Tony Sara, President of ASMOF, members of that union reported that during the opening weeks the hospital warehouse did not have any back up supplies. Healthscope had opted for a 'just in time' approach (common in private hospitals, which are better able to anticipate levels of demand), where routine drugs and medical supplies are reordered once they have been expended. Dr Sara explained that large public hospitals cannot predict demand and as a result, require their warehouses to be sufficiently stocked at all times.¹⁷⁴
- 3.9** The HSU highlighted that the 'lack of the most basic supplies and equipment made the commencement of services extremely stressful to staff and patients alike'.¹⁷⁵ Similarly, ASMOF advised that this was particularly stressful for junior doctors, who had to go around the wards looking for medication for their patients, then, if the medication was not available, would have to change their proposed treatment or ask the nurses to somehow procure the necessary medication, increasing the time delays and subsequent risks to patient safety.¹⁷⁶

Poor planning for emergency care

- 3.10** The issue of inadequate equipment and supplies was directly related to reports that the hospital had underestimated and not prioritised emergency care in the early opening period.
- 3.11** Dr Anthony Joseph, ASMOF's State Councillor and a Senior Staff Specialist in the emergency department at Royal North Shore Hospital, reported that the Northern Beaches Hospital 'was not adequately prepared [at the time of opening] because it did not have enough equipment to manage the acute patients who were coming into the emergency department'.¹⁷⁷
- 3.12** Whilst the committee acknowledges it has received a number of submissions from people who have commended the timely and quality service patients received in the Northern Beaches Hospital's emergency department,¹⁷⁸ many people also documented their long waiting times for emergency care.¹⁷⁹

¹⁷² Submission 200, NSW Nurses and Midwives' Association, pp 14-15.

¹⁷³ Evidence, Mr Gerard Hayes, Secretary, Health Services Union NSW, 26 August 2019, p 63; Submission 108, Health Services Union, p 7.

¹⁷⁴ Evidence, Dr Sara, 26 August 2019, p 50.

¹⁷⁵ Submission 108, Health Services Union, p 7.

¹⁷⁶ Evidence, Dr Sara, 26 August 2019, p 50.

¹⁷⁷ Evidence, Dr Anthony Joseph, Senior Staff Specialist, Emergency Department and Director of Trauma, Royal North Shore Hospital, and NSW State Councillor, Australian Salaried Medical Officers' Federation of NSW, 26 August 2019, p 55.

¹⁷⁸ Submission 4, Dr Carolyn West, p 1; Submission 11, Marian Gill, p 1; Submission 19, Name suppressed, p 1; Submission 34, Mr Terry Fitzgerald, p 1; Submission 115, Name suppressed, p 1; Submission 192, Mr Paul Davidson, p 1.

¹⁷⁹ Submission 9, Name suppressed, p 1; Submission 17, Name suppressed, p 1; Submission 22, Mr Jason Smith, p 1; Submission 32, Name suppressed, p 1; Submission 63, Name suppressed, p 1; Submission 75, Name suppressed, p 1; Submission 114, Name suppressed, p 1.

- 3.13** According to Dr Sara of ASMOF, in the first four or five weeks following its opening at least, the hospital prioritised elective surgery of private patients because this was more lucrative and as a result, patients in emergency care experienced longer waiting times for surgery.¹⁸⁰ He described the instances of patients waiting in the emergency department for periods lasting over 24 hours as inadequate and unacceptable.¹⁸¹ Northern Beaches Hospital representatives confirmed that due to the early challenges with the IT system, data relating to times in the emergency department was not collected.¹⁸²
- 3.14** Dr Sara further suggested that the issue was not limited to the emergency department itself, but extended to the wards of the hospital where there was a 'lack of staff, too many chief medical officers, too many locums and inadequate policies and processes'.¹⁸³
- 3.15** Dr Jonathan Page, a medical oncologist who resigned from the Northern Beaches Hospital in August 2019, echoed the suggestion that the hospital lacked processes and systems, going so far as to contend that patients were put in 'grave danger' because the emergency department had no access to patient records. He stated that there were patients 'coming through the emergency many of whom had been to Manly and Mona Vale and North Shore, but there was no access to any of their records'.¹⁸⁴

Information technology

- 3.16** Another issue identified by participants was that the hospital's IT systems were not ready at the time of opening and that staff were not adequately trained to use them. The hospital's electronic medical records system is discussed in detail in chapter 6. Here, we briefly note that the electronic medical records system at the Northern Beaches Hospital differed from and was incompatible with that utilised by public hospitals across New South Wales.¹⁸⁵
- 3.17** As a result, Dr Page told the committee that clinical staff were unable to access patient records and there were concomitant risks to patient care creating extraordinary stress for staff.¹⁸⁶
- 3.18** Conversely, Unions NSW reported that some union members working in other hospitals within the Northern Sydney Local Health District (NSLHD) were unable to access medical records of the new hospital's patients.¹⁸⁷
- 3.19** Local general practitioners also reported to the committee that for months they did not receive electronic discharge summaries for their patients following their treatment at Northern Beaches,

¹⁸⁰ Evidence, Dr Sara, 26 August 2019, p 51.

¹⁸¹ Evidence, Dr Sara, 26 August 2019, p 51.

¹⁸² Evidence, Dr Simon Woods, Interim Director of Medical Services, Northern Beaches Hospital, 26 August 2019, p 19.

¹⁸³ Evidence, Dr Sara, 26 August 2019, p 60.

¹⁸⁴ Evidence, Dr Jonathan Page, Medical Oncologist, 5 November 2019, p 2. See also, Evidence, Ms Deborah Willcox, Chief Executive, Northern Sydney Local Health District, 5 November 2019, p 40.

¹⁸⁵ Evidence, Mr Hayes, 26 August 2019, p 61.

¹⁸⁶ Evidence, Dr Page, 5 November 2019, p 6.

¹⁸⁷ Submission 212, Unions NSW, p 6.

and that the few discharge summaries they did receive were inadequate.¹⁸⁸ The GPs described the inadequate reports as frustrating and time consuming for them, also impeding their ability to provide quality patient care.¹⁸⁹ As noted above, these issues are explored in detail in chapter 6.

The seriousness of the problems

3.20 As documented later, Healthscope and NSW Health both unequivocally accepted that the hospital had experienced a number of significant challenges in the opening months. At the same time, government and hospital representatives characterised these as 'teething issues'. By contrast, key stakeholders argued that these were not just initial problems, but indicative of more serious systemic issues. In their view, these were unacceptable in a new hospital, particularly one promised to the community as being among the best in the world.

3.21 For example, Mr Parry Thomas, Chairman of the Save Mona Vale Hospital Community Action Group, suggested that while some of the early issues might be understandable in the context of a new facility, the sheer volume indicated something more serious:

There are unquestionably some teething problems. Of course it is a terribly complex thing and I do not want to belittle how hard it is to make a hospital work and get it to run. I certainly do not want to do that, and obviously not everything that happens goes wrong. But we hear so much that it cannot be just still teething. It cannot be. It has to be systemic...¹⁹⁰

3.22 Similarly, Mr Holmes of the Nurses and Midwives' Association expressed the view that the hospital's early problems could not be 'trivialised' as being reasonably expected to arise when opening a hospital.¹⁹¹ He described the extent and prevalence of the problems as 'profound, significant and to be frank, incomprehensible',¹⁹² even for those people who had expected the worst. Mr Holmes further asserted that the hospital was 'diametrically opposite' to what had been promised by Healthscope, the Ministry of Health, the NSLHD and the NSW Government – as a hospital with plentiful staff and state of the art medical technology.¹⁹³

3.23 The committee heard that if these types of 'teething problems' were not acceptable in the commissioning of a new airplane, then they should not have been acceptable in a new hospital. Dr Page, who was employed at Northern Beaches Hospital up until August 2019, referred to the close analogy between the safety of patients and safety in the airline industry, explaining, 'We teach this to medical students, and have done for 15 years, that the level of safety in the airline industry is micromanaged or nanomanaged.' Highlighting the risks to patient care, he asserted that 'it would be inconceivable to launch a new plane without all the safety checks and yet a hospital was opened without that having been done.'¹⁹⁴

¹⁸⁸ Evidence, Dr Elana Roseth and Dr Caroline Rogers, General Practitioners, 23 September 2019, pp 12-13.

¹⁸⁹ Evidence, Dr Rogers, 23 September 2019, p 15.

¹⁹⁰ Evidence, Mr Thomas, 26 August 2019, p 34.

¹⁹¹ Evidence, Mr Holmes, 26 August 2019, p 61.

¹⁹² Evidence, Mr Holmes, 26 August 2019, p 61.

¹⁹³ Evidence, Mr Holmes, 26 August 2019, p 61.

¹⁹⁴ Evidence, Dr Page, 5 November 2019, p 2.

- 3.24** Dr Page argued that these issues were extremely serious in their magnitude and potentially could have been avoided with better planning and preparation:

I know there is a falsehood still being spread – particularly by Healthscope, among others – that any new major undertaking in health begins with a period where some errors are made. This was an order of magnitude greater than that. I would like that to be on the record. These were major egregious oversights that could have been prevented. I have looked and there is plenty in academic literature from around the world about comparable hospitals that have been opened. The problems that have occurred are documented.¹⁹⁵

- 3.25** The AMA (NSW) acknowledged that transitions across hospitals are 'rarely easy', but suggested that a better approach, such as a staged transfer of services from Manly and Mona Vale Hospitals to Northern Beaches, could have been taken. Dr Fred Betros, Board Member, Honorary Treasurer and former Hospital Practice Committee Chair, noted that Healthscope had taken this approach in the past. He considered that a staged transfer would have allowed early identification and management of the hospital's early capacity issues, and would have ensured that all systems were running adequately.¹⁹⁶ The Australian Society of Anaesthetists was also of the opinion that the hospital became fully operational too quickly without adequate resources, preparation and planning, and that a staged transition over a longer period of time would have been much smoother.¹⁹⁷

- 3.26** Further issues reported in the media indicating the seriousness of the problems during the opening period included that less than a month after opening, anaesthetists were escalating concerns about patient safety to the hospital's executive, highlighting systemic issues such as delays and confusion in sourcing blood for transfusions, a lack of appropriate equipment, poorly trained staff and staff shortages. The anaesthetists threatened to cancel all elective surgeries unless the management team responded to their concerns, as they believed patient safety and care were being compromised. Two anaesthetists quit during this time and the Director of Anaesthetics also resigned in December 2018.¹⁹⁸

- 3.27** Dr Suzanne Daly, a longstanding general practitioner located in Newport, also repeated that the hospital's problems were the result of a lack of preparedness and further, that they are ongoing and systemic, arising from the profit incentive in the public private partnership:

I would not accept teething problems in a jumbo jet, would you? The problems are due to poor planning and execution. However, they are not just teething problems because some problems as reported by staff to me are ongoing and systemic, largely due this failed public private partnership, which is a failed model. Profit is the main driver, not care.¹⁹⁹

¹⁹⁵ Evidence, Dr Page, 5 November 2019, p 5.

¹⁹⁶ Evidence, Dr Fred Betros, Board Member, Honorary Treasurer and Former Hospital Practice Committee Chair, Australian Medical Association (NSW), 23 September 2019, p 21.

¹⁹⁷ Submission 226, Australian Society of Anaesthetists, p 2.

¹⁹⁸ Kate Aubusson, 'Raining resignations: New hospital's woes drag on as anaesthetics director steps down', *Sydney Morning Herald*, 6 December 2018; Submission 225, Australian Salaried Medical Officers' Federation of NSW, pp 9-10.

¹⁹⁹ Evidence, Dr Suzanne Daly, General Practitioner, 23 September 2019, p 4.

Staffing issues

3.28 A second set of issues emerged from the evidence that the committee gathered in relation to the hospital's opening. Separate to the hospital's readiness to open, these matters all generally related to staffing. Whilst the focus of the discussion below is on the earlier stages of the hospital's opening, some matters continue to be of ongoing concern. These include the transition from the public system, implementation of policies and procedures, contracts and recruitment, non-payment of salaries, ongoing staffing levels, inadequate consultation, and staff stress and loss of morale.

Transition from the public system

3.29 A further issue of concern to numerous inquiry participants related to the transfer of staff from the public hospital system to the privately operated Northern Beaches Hospital.

3.30 The committee heard that under the project deed, Healthscope was responsible for the workforce migration of 693 eligible staff.²⁰⁰ Those who migrated did so on their existing award terms and conditions at the time of transfer, and their entitlements (including rates of pay and leave) were guaranteed for a period of two years. Staff who transferred were also eligible for a transfer payment of up to eight weeks pay, which was treated as an eligible termination payment. At the end of the first two years of operation, staff will be moved to the Commonwealth award under the *Fair Work Act 2009* (Cth).²⁰¹

3.31 ASMOF reported to the committee that it worked hard to ensure that staff transferring from the public health system would have their entitlements guaranteed and protected.²⁰² Despite these meetings, the HSU highlighted the poor information flow between Healthscope, NSW Health and the unions in the lead up to the opening. From October 2015, the health unions met bimonthly with NSLHD representatives to discuss the impacts of the transition on staff at Manly and Mona Vale Hospitals.²⁰³ The HSU told the committee that despite their consistent attempts to obtain information about the new hospital, employment conditions for transferring staff, models of care and staffing structures, Healthscope and NSW Health's answers were inconsistent and demonstrated a reluctance to provide detailed written information or to meet deadlines.²⁰⁴ The continued lack of cooperation led them to escalate the matter to the Industrial Relations Commission on several occasions and also with the Minister of Health.²⁰⁵

3.32 Unions told the committee that the lack of essential information meant that they could not negotiate effectively on behalf of their members. For example, the Nurses and Midwives' Association told the committee that staff were not provided with proposed models of care and had no access to their rosters until two weeks prior to the transfer.²⁰⁶ The unions themselves

²⁰⁰ Submission 224, NSW Health, pp 4 and 10.

²⁰¹ Submission 224, NSW Health, p 10.

²⁰² Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 8.

²⁰³ Submission 108, Health Services Union, p 1.

²⁰⁴ Submission 108, Health Services Union, p 1.

²⁰⁵ Submission 108, Health Services Union, p 2.

²⁰⁶ Submission 108, Health Services Union, p 2.

were not provided with information on the transfer payment²⁰⁷ or on the staffing profile of the hospital, including the numbers of casual and agency staff employed.²⁰⁸

Contracts and recruitment

3.33 Closely related to the perceived problems with migration of staff were specific concerns about contracts and recruitment. A particular focus was inadequate or untimely information regarding staff contracts.

3.34 The AMA (NSW) reported that despite having authority to negotiate on behalf of visiting medical officers (VMOs), Healthscope insisted on the individual negotiation of VMO contracts. It further advised that senior medical staff were given information about their remuneration and employment conditions only three weeks prior to the opening day, and some specialist doctors were offered inferior conditions to those that had been originally promised and were given limited time to review them and negotiate changes.²⁰⁹ Ms Fiona Davies, Chief Executive Officer of the AMA (NSW), told the committee,

[I]n the lead up to the opening of the hospital many doctors were unable to confirm their contractual arrangements, were having to negotiate contractual arrangements on an individual basis, were having their terms and conditions reduced on an arbitrary basis.²¹⁰

3.35 ASMOF told the committee that when staff received their letters of offer, there were additional matters that did not match fundamental conditions, such as ordinary hours of work, duties and responsibilities, recognition of continuous service and leave entitlements. There were also serious omissions regarding core fundamental terms for the appointment of senior medical officers, such as credentialing, scope of practice and clinical privilege.²¹¹ Dr Sara further reported that there were differences in superannuation payments to senior doctors.²¹²

3.36 Another issue raised by stakeholders was that in contrast to the public health system, there has been a general lack of transparency around Healthscope's recruitment processes. Senior doctors such as Dr Allan Forrest, an ear nose and throat surgeon, reported that they were unaware of how hiring decisions were made and have received very little feedback from Healthscope.²¹³ ASMOF warned that a 'lack of proper processes around recruitment provides fertile ground for favouritism and the potential for discriminatory employment practices'.²¹⁴

²⁰⁷ Evidence, Mr Dennis Ravlich, Manager, Member Industrial Services Team, NSW Nurses and Midwives' Association, 26 August 2019, p 68.

²⁰⁸ Submission 212, Unions NSW, p 4.

²⁰⁹ Evidence, Ms Fiona Davies, Chief Executive Officer, Australian Medical Association (NSW), 23 September 2019, pp 21-22; Submission 220, Australian Medical Association (NSW), p 4; Submission 226, Australian Society of Anaesthetists, pp 3-4.

²¹⁰ Evidence, Ms Davies, 23 September 2019, p 20.

²¹¹ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 9.

²¹² Evidence, Dr Sara, 26 August 2019, p 55.

²¹³ Evidence, Dr Allan Forrest, Ear, Nose and Throat Surgeon, Dee Why, 5 November 2019, p 12.

²¹⁴ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 16.

- 3.37** Dr Betros of the AMA (NSW) explained that the impact of these poor recruitment processes was that many doctors never proceeded to sign their contracts after reviewing their employment conditions as they lacked certainty of what they were signing up for, especially with the short turnaround times. Dr Betros told the committee that as an example, he had personally met with a group of at least 10 medical oncology and haematology specialists to review their contracts, but only five of them signed. Two have since left the Northern Beaches Hospital due to the problematic working conditions.²¹⁵
- 3.38** While some doctors decided not to sign their contracts, the committee was told that others felt pressure to do so. For example, the Australian Society of Anaesthetists suggested that some VMOs felt compelled to sign their contract out of fear of losing their employment under 'an atmosphere of duress and confusion regarding the implications of the contract offered together with a lack of communication from NBH'.²¹⁶
- 3.39** Moving forward, the Nurses and Midwives' Association advised the committee that they will begin renegotiating the nurses and midwives' enterprise agreement in 2020.²¹⁷ The HSU advised that their agreement with Healthscope expires on 30 September 2021.²¹⁸
- 3.40** As noted above, the current contract held by transferred staff includes a two year guarantee of terms and conditions from the state award. However, as Healthscope and the hospital operate within the federal industrial relations jurisdiction, once the two years have expired, staff will be transferred to the federal award. The Nurses and Midwives' Association expressed strong concern for the potential removal of staffing arrangements prescribed under the current award. For example, its General Secretary, Mr Brett Holmes, said that the state award seeks to maintain a ratio of nursing hours per patient:
- Currently those staff who transferred from the public health system have entitlements to staffing arrangements, incorporated into the previous award and now the copied state award, that provided for a model of nursing hours per patient day for medical, surgical, rehab, palliative care and mental health and in midwifery for the birth rate plus staffing methodology. None of that is replicated in the Healthscope enterprise agreement.²¹⁹
- 3.41** Mr Holmes advised that under the federal (and Healthscope) award, the nurse to patient ratio is one to eight. In contrast, public hospital patient wards had a ratio of one to four on the morning shift, one to five in the afternoon, and one to seven at night. He observed, 'So there is ... a different level of expectation that our members who have come from the public health system have around reasonable workloads, and that is not reflected on the private side of the facility.'²²⁰
- 3.42** Mr Holmes warned that such a change would not just involve additional pressure on staff workloads, but that patient care may be impacted as there will be less nurses at the Northern

²¹⁵ Evidence, Dr Betros, 23 September 2019, p 22.

²¹⁶ Submission 226, Australian Society of Anaesthetists, p 4.

²¹⁷ Evidence, Mr Holmes, 26 August 2019, p 64.

²¹⁸ Answers to questions on notice, Mr Gerard Hayes, Secretary, Health Services Union, 18 September 2019, p 1.

²¹⁹ Evidence, Mr Holmes, 26 August 2019, p 66.

²²⁰ Evidence, Mr Holmes, 26 August 2019, p 66.

Beaches Hospital. Mr Holmes recommended that Healthscope move to nursing ratios or a nursing staffing methodology equivalent to the State public health system.²²¹

Nonpayment of salaries

- 3.43** The committee heard another issue that compounded stress for some staff in the early months of the hospital's operation was delays to their pay. Dr Page informed the committee that he was not paid for his clinical outpatient work for the first three months after opening. It was only when he threatened to resign that the hospital organised the late payments, but they continued to be delayed and erratic for months. In addition, while he had had been told prior to transferring to the Northern Beaches Hospital that the system at Manly Hospital for Medicare payments would be moved across, this did not occur. He said that he and other medical staff spent many unpaid hours addressing this issue,²²² and that Healthscope eventually paid out all the doctors' outpatient bills itself and then pursued Medicare for reimbursement.²²³
- 3.44** ASMOF highlighted that JMOs also reported instances of delayed wages.²²⁴

Ongoing staffing levels

- 3.45** Key stakeholders raised concerns relating to low staffing levels and the hospital's reliance on locum staff, and how these issues were affecting patient safety.
- 3.46** Mrs Helena Mooney, Co-founder of the Friends of Northern Beaches Maternity Services, suggested that there was an inadequate number of midwives at the new hospital and that its reliance on agency staff directly impacted on the rates of intervention and the levels of care women receive.²²⁵ Mr Parry Thomas, Chairman of SMVH, echoed concerns about the high number of agency staff, remarking that agency nurses often do not build relationships with the patient, and are not trained in the hospital's systems and processes.²²⁶ Similarly, ASMOF argued that a lack of permanent staff can have a destabilising effect on health services and disturb the continuity of patient care.²²⁷ Similarly, the HSU maintained that agency staff lacked institutional knowledge and expertise, and that this is detrimental to the efficient and safe running of the hospital.²²⁸
- 3.47** Unions NSW noted that whereas public hospitals are bound by a range of staffing requirements, the Northern Beaches Hospital does not have mandatory minimum staffing numbers, models of care or staffing mix requirements. They also explained that the hospital is not held to the

²²¹ Evidence, Mr Holmes, 26 August 2019, p 66.

²²² Evidence, Dr Page, 5 November 2019, p 3.

²²³ Evidence, Dr Page, 5 November 2019, p 9.

²²⁴ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 24.

²²⁵ Evidence, Mrs Helena Mooney, Co-Founder, Friends of Northern Beaches Maternity Services, 26 August 2019, p 32.

²²⁶ Evidence, Mr Thomas, 26 August 2019, p 35.

²²⁷ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 16.

²²⁸ Submission 108, Health Services Union, p 4.

same local health district improvement measures, such as expectations to increase frontline staff and to reduce the use of agency and casual staff.²²⁹

Policies and procedures

- 3.48** The extent of Healthscope's clinical policies and procedures was another issue raised by stakeholders, and was closely linked to the transfer of staff and knowledge from the public health system.
- 3.49** Dr Sara, President of ASMOF, advised that the new hospital lacked sufficient policies and procedures during its opening stages. He told the committee that he had personally offered to share with the hospital hundreds of policies from the South Eastern Sydney Local Health District and other public hospitals in October 2018, but these has been declined by hospital management. He stated that ASMOF was only aware of six clinical policies developed by the hospital at the time of opening.²³⁰
- 3.50** Dr Sara also contended that despite Healthscope claiming that they had hundreds of policies in place, Northern Beaches staff were unable to access them:

Our junior doctors and senior doctor members said they could not see [the policies] and that they did not know they were not there. Large numbers of such policies for private hospitals are likely to be around procurement; they are not likely to be around how to take care of sick persons.

In January [2019] our members said they do not have the broad range of clinical policies, processes and procedures that you expect in public hospitals for very sick patients. There has been no evidence presented to us or to our members that there are hundreds and hundreds of clinical policies. They just are not there.²³¹

Inadequate consultation

- 3.51** Another concern amongst stakeholders was the lack of consultations during the planning phases regarding the physical design of the hospital and operational matters.
- 3.52** Doctors highlighted that the hospital had not consulted them about the physical layout, nor listened to their suggestions for improving it. Dr Page stated that he had raised fundamental concerns about the design of the oncology unit with the hospital's CEO (at the time) over a year before the hospital opened:

When I was first presented with the physical layout of the oncology department area with no discussion beforehand I pointed out all the limitations. But they said they could not do anything because the building's outer wall and the columns had been set. We had a 12-chair treatment area, which was nowhere near enough to be sufficient.²³²

²²⁹ Submission 212, Unions NSW, p 4..

²³⁰ Evidence, Dr Sara, 26 August 2019, pp 49, 52.

²³¹ Evidence, Dr Sara, 26 August 2019, p 59.

²³² Evidence, Dr Page, 5 November 2019, p 6.

- 3.53** Dr Page explained that the doctors' offices are some distance away from the outpatient department area and from specialist nursing staff. He argued that the design has increased pressure on staff to be vigilant around patient care and safety.²³³ According to him, the poor design contributed to the decision of 17 other oncologists and haematologists not to transfer to the new hospital.²³⁴
- 3.54** Individual submission authors also raised concerns relating to the layout of the emergency department²³⁵ and of its distance to the hospital's carpark.²³⁶
- 3.55** There have subsequently been concerns documented in the media about the safety of the building's design, following a tragic incident in January 2020.²³⁷
- 3.56** The Australian Society of Anaesthetists also indicated that before the hospital opened, anaesthetists had identified potential problems relating to the running of the hospital and tried to raise them with the hospital's management, but received little response. Some of their concerns included anaesthetists not being involved early enough to set up important protocols, and having no clear guidelines about the structure of their operating lists. The Society reported that there was uncertainty about their obligations and emergency work, and unpredictability in their income.²³⁸

Stress and loss of morale

- 3.57** A number of participants commented on the significant stress and loss of staff morale arising from the problems experienced during the opening period and the resulting negative publicity.
- 3.58** Mr Holmes of the Nurses and Midwives' Association commented that staff were working in a 'highly stressful work environment every single day'.²³⁹ The HSU observed that the lack of the most basic supplies and equipment made the commencement of services extremely stressful to staff. It quoted a Northern Beaches Hospital administration officer's description of the opening as a 'nightmare', where there were no pens at admissions and no phone directory.²⁴⁰
- 3.59** Dr Sara of ASMOF commented that 'disaster was only narrowly avoided' when the hospital opened, and this caused much distress to staff, particularly for the junior doctors. He considered that junior medical staff 'bore the brunt of Healthscope's failure to establish the hospital properly' in terms of equipment, policies, processes and staffing.²⁴¹

²³³ Evidence, Dr Page, 5 November 2019, p 7.

²³⁴ Evidence, Dr Page, 5 November 2019, p 11.

²³⁵ Submission 109, Mr Paul Cunningham, p 5.

²³⁶ Submission 74, Mr David Loomes, p 1; Submission 197a, Name suppressed, p 1; Submission 227, Mrs Noreen and Mr Eric Rogers, p 1.

²³⁷ Julie Cross, 'Hospital safety concerns raised', *Manly Daily*, 29 January 2020, p 7.

²³⁸ Submission 226, Australian Society of Anaesthetists, pp 2-3.

²³⁹ Evidence, Mr Holmes, 26 August 2019, p 66.

²⁴⁰ Submission 108, Health Services Union, p 7.

²⁴¹ Evidence, Dr Sara, 26 August 2019, p 48.

3.60 Dr Sara noted that overworked and tired staff are at risk of increased mistakes and increased errors of judgement, affecting the safety of both patients and staff.²⁴² Some submission authors reported cases of staff so affected by the working conditions during those opening months that they resigned.²⁴³ Dr Caroline Rogers, a local general practitioner, also told the committee that she was aware of staff who were unable to return to work altogether.²⁴⁴ Mr Gerard Hayes, Secretary of the HSU, contrasted the low morale among NBH members to those in other hospitals that had been in operation for decades.²⁴⁵

3.61 The HSU suggested that the community perceived the hospital as dysfunctional, and that this contributed to significant dissatisfaction and low morale amongst staff.²⁴⁶ In the same vein, Ms Davies of the AMA (NSW) agreed that public scrutiny of the hospital would inevitably affect the community's confidence in it and place additional pressure on staff:

We saw this with the public hospitals that have also had to go through high profile and public pressure. It means that where people question the service they get, there is a lot more pressure internally. It has a huge impact.

Sadly, the opening of this hospital – the way in which that happened – will have an impact and does have an impact. Publicity does tend to have that result.²⁴⁷

3.62 Ms Davies further explained the effects of negative publicity on Northern Beaches Hospital staff, who were already working under difficult circumstances, and highlighted the 'extraordinary professionalism' of the medical staff:

I do know that some doctors working at the hospital now have found that quite a distressing reflection on them and the contribution that they have made to that hospital and that they continue to make ... it is really important to note that comments like that do have an impact on the people who work at a hospital and who are doing their absolute best.

I know they are not intended to reflect on those individuals, but they do. So we just want to recognise the extraordinary professionalism of the medical staff of the NBH and to acknowledge that we are all here to try and improve the system but we hope none of those comments reflect on people as individuals because I know that is how they feel.²⁴⁸

3.63 Reflecting on the negative media coverage, the Sydney North Health Network contended that the negative media had unfairly amplified events at the hospital, which were 'often "average" hospital system experiences', thereby contributing to a loss of confidence in the hospital. Whilst the Sydney North Health Network acknowledged that there was room for improvement, it

²⁴² Evidence, Dr Sara, 26 August 2019, p 51.

²⁴³ Submission 107, Name suppressed, p 1; Submission 233, Dr Jonathan Page, p 1.

²⁴⁴ Evidence, Dr Rogers, 23 September 2019, p 19.

²⁴⁵ Evidence, Mr Hayes, 26 August 2019, p 62.

²⁴⁶ Submission 108, Health Services Union, p 4.

²⁴⁷ Evidence, Ms Davies, 23 September 2019, p 28.

²⁴⁸ Evidence, Ms Davies, 23 September 2019, p 26.

considered that some of the reported issues in the media were also not unique to Northern Beaches Hospital.²⁴⁹

Junior medical officers and protracted Health Education and Training Institute accreditation

3.64 A notable concern amongst some stakeholders related to both the staffing levels and IT issues documented above was the immense pressure placed on the junior medical officers as a result of inadequate staffing levels and excessive workloads. The committee heard that the majority of JMOs are not Healthscope employees, but employed directly by the NSLHD and rotated through Northern Beaches Hospital on secondment to complete their medical training.²⁵⁰ Healthscope is responsible for the day to day management of the JMOs at Northern Beaches in consultation with NSLHD as their employer, where required. The NSLHD is reimbursed by the hospital for the costs of providing these staff.²⁵¹

3.65 ASMOF reflected on the difficulties faced by JMOs who had moved from a public hospital in adjusting to a private hospital culture and structure:

There is a significant cultural shift for JMOs who have worked at North Shore and Hornsby hospitals, and then find themselves at [Northern Beaches Hospital]. This experience is disorienting for trainees, as the working environment is so profoundly different to what they are accustomed to. This environment is noticeably different even from Affiliated Health Organisations ... such as St Vincent's and Calvary Mater.²⁵²

3.66 ASMOF further highlighted that the Northern Beaches Hospital unit supporting JMOs is under resourced, causing practical difficulties:

The JMO Unit, which has oversight of JMOs, is understaffed and JMO emails and calls can go unanswered. There have been a number of issues associated with rosters including lateness and incompleteness [in their provision to staff].²⁵³

3.67 The AMA (NSW) advised that prior to the opening of the hospital, Healthscope had assured the Association that there would be sufficient numbers of doctors employed in time for the opening. Dr Betros commented that this did not transpire and that the shortfall in staff meant that JMOs were asked to help manage private patients.²⁵⁴ ASMOF advised that the project deed stipulates that JMO positions must be directly associated with the treatment of public patients and they are not paid extra for caring for private patients.²⁵⁵

3.68 Dr Betros expressed concern that by looking after private patients, JMOs' workloads had increased. He noted that it was a comparatively small JMO group at Northern Beaches and that

²⁴⁹ Submission 112, Sydney North Health Network, p 8.

²⁵⁰ Submission 224, NSW Health, pp 10 and 11.

²⁵¹ Submission 224, NSW Health, pp 10 and 11.

²⁵² Submission 225, Australia Salaried Medical Officers' Federation of NSW, p 24.

²⁵³ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 24.

²⁵⁴ Evidence, Dr Betros, 23 September 2019, p 23.

²⁵⁵ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 26.

their staffing numbers were based on a public hospital caseload. He remarked that by taking on more private patients, the safety of both doctors and patients was at greater risk:

Our concern at a hospital practice committee level was focused on ensuring that there were not unsafe patient numbers for a relatively small number of JMOs. Once you go beyond a certain threshold, there is only so much a single person can do in any given day and then you reach a point where you go beyond what we would consider safe working conditions for the patient and the doctor.²⁵⁶

3.69 Dr Sara also considered that these types of working conditions, especially when accumulated over years, escalate the risks to young doctors' wellbeing 'in terms of suicide and in terms of mental and physical breakdowns, and probably increases the risk to patients'.²⁵⁷

3.70 The committee heard that in November 2018, the hospital's JMOs provided their union ASMOF with detailed information about serious concerns relating to their employment, which they felt had gone unanswered and unaddressed by management. These included lack of essential supplies, acute staff shortages, inadequate and unsafe supervision, inequitable patient loads, excessive and unsafe working hours which were often unpaid, lack of policies and guidelines for critical care, as well as limited access to basic entitlements.²⁵⁸

3.71 The AMA (NSW) highlighted the extraordinary severity of the JMOs' working hours and conditions at the time:

Staffing levels were inadequate to meet the influx of patients and junior doctors were placed under onerous conditions, working unsafe hours with staff doing up to six hours a day overtime – up to 110 hours per week. Interns reported doing 80 hours a week, and one intern reported being responsible for up to 60 patients. There were high levels of fatigue among [JMOs] and no sick leave built to the roster, nor was there staff cover for study leave.

Junior doctors reported a lack of supervision and inadequate handover, which left doctors-in-training to handle patients with little or no case information. Patients were also being discharged without formal release from JMOs.²⁵⁹

3.72 Dr Sara told the committee that in early 2019 the situation escalated to the point where JMOs were meeting on a regular basis with ASMOF industrial staff. When a senior ASMOF industrial officer met with one of the hospital's executives, 20 JMOs accompanied him to the meeting so that they could personally raise complaints about their working conditions, particularly about not having enough staff, there being too great a reliance on locum staff, and JMOs being locked out of their common room at night.²⁶⁰

3.73 Against this backdrop, ASMOF representatives advised the committee that in November 2018 they wrote to the Secretary of NSW Health outlining their belief that a range of items within the project deed between the operators of NBH and NSW Health were not being complied with. These related to JMOs looking after private patients, inadequate supervision of JMOs and

²⁵⁶ Evidence, Dr Betros, 23 September 2019, p 23.

²⁵⁷ Evidence, Dr Sara, 26 August 2019, p 51.

²⁵⁸ Submission 225, Australian Salaried Medical Officers' Federation of NSW, pp 10-11.

²⁵⁹ Submission 229, Australian Medical Association (NSW), pp 5-6.

²⁶⁰ Evidence, Dr Sara, 26 August 2019, p 51.

provision of a safe working environment.²⁶¹ An urgent meeting was subsequently organised with representatives from ASMOF, the Ministry of Health, Healthscope, NSLHD and the AMA (NSW), where all parties committed to a working group that would meet weekly, and to more efficient internal engagement channels for issues to be raised and addressed.²⁶²

The hospital's accreditation

- 3.74** As noted in Chapter 1, prior to the hospital's opening, the Northern Beaches Hospital had secured provisional accreditation from the Health Education and Training Institute (hereafter HETI). In order to be a fully accredited hospital and thereby train prevocational trainees, the NBH needed to prove that it met HETI's Prevocational Education and Training Accreditation Standards. HETI conducted a total of three site visits, which included confidential interviews and tours of the facilities.²⁶³ Following its December 2018 and January 2019 visits,²⁶⁴ the HETI reports confirmed significant operational problems relating to JMOs, including inadequate planning and preparation for the opening of the new hospital, inadequate staffing levels, inadequate formal systems and processes, a lack of policies and procedures to support safe work practice, and difficulties with operating systems.²⁶⁵
- 3.75** Specifically, HETI's December 2018 report commented that the 'current situation is unsustainable and only working because of the significant commitment of JMOs to continue providing a service under adverse conditions', and that morale amongst the JMOs was low.²⁶⁶
- 3.76** HETI's January 2019 report observed that the hospital had made significant progress in addressing the issues, including in respect of staffing levels and operational matters. The report recognised that the hospital's management responded promptly to concerns raised in the December report and that it had committed to improving working environment for JMOs. It noted that the hospital had appointed an experienced interim director of medical services who was on site four days a week and acted as the direct liaison point for raising and escalating JMO issues, which could then be effectively managed at a senior level within the hospital.²⁶⁷
- 3.77** The January 2019 HETI report further noted that the NSLHD provided Northern Beaches Hospital with onsite administrative support to the JMO Management Unit two days a week. HETI believed that this function was critical and recommended it remain as a continuing support mechanism for the JMOs, at least until systems and processes became more consistent.²⁶⁸

²⁶¹ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 11. See also, Answers to questions on notice, Australian Salaried Medical Officers' Federation of NSW, 19 September 2019, pp 2-4.

²⁶² Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 12.

²⁶³ Health Education and Training Institute, *HETI accreditation process* (2019), <https://www.heti.nsw.gov.au/education-and-training/courses-and-programs/prevocational-accreditation-program/heti-accreditation-process>.

²⁶⁴ Submission 224, NSW Health, p 12.

²⁶⁵ Health and Training Institute, *Northern Beaches Hospital: Site Visit Report*, 10 December 2018, p 2.

²⁶⁶ Health and Training Institute, *Northern Beaches Hospital: Site Visit Report*, 10 December 2018, p 2.

²⁶⁷ Health and Training Institute, *Northern Beaches Hospital: Site Visit Report*, 17 January 2019, pp 2 and 5.

²⁶⁸ Health and Training Institute, *Northern Beaches Hospital: Site Visit Report*, 17 January 2019, pp 3 and 6.

- 3.78** However, HETI also cautioned that some issues were ongoing, particularly regarding staffing levels and an overreliance on locum staff, especially after hours.²⁶⁹ HETI commended the current group of JMOs at the hospital for the care of their patients, and the hospital for identifying and addressing a number of these operational issues. It also expressed concern for when these JMOs move on from the hospital and the significant risk of losing corporate knowledge and peer support for subsequent JMOs.²⁷⁰
- 3.79** The committee heard that Northern Beaches Hospital failed to secure full HETI accreditation after these two site visits, but maintained its Provisional Accreditation throughout. ASMOF pointed to the lack of transparency surrounding the reports, which it was only able to obtain via an appeal to NSW Civil and Administrative Tribunal following an unsuccessful Government Information (Public Access) (GIPA) request.²⁷¹ The reports were eventually made public seven months after the investigations.
- 3.80** In September 2019, HETI granted full accreditation to the hospital. HETI recognised that over the year since it opened, the hospital had made significant progress towards compliance with its accreditation standards.²⁷² Nevertheless the final report again identified ongoing issues, particularly around the workforce and IT network. HETI noted that workloads were not yet at manageable levels and that JMOs were still working long hours to ensure patient safety. The report further identified problems with workforce stability at the hospital and its heavy reliance on locum staff. It also highlighted that the IT network was contributing to workforce issues and creating problems around rosters, leave, pay and data sharing. HETI recommended that the hospital find ways to better collect its own data or improve communication within the public hospital system.²⁷³ In chapter 6, the committee notes the evidence that the IT problems were resolved in late 2019.

Healthscope perspective

- 3.81** The committee pursued many of the issues raised by inquiry participants with Healthscope representatives. At the first hearing in August 2019, Healthscope representatives acknowledged and unequivocally apologised for the problems that the hospital had encountered following its opening. At the inquiry's August 2019 hearing, Mr Richard Royle, Acting Chief Executive Officer of the hospital, stated, 'I apologise to the community of the Northern Beaches because we clearly fell short there.'²⁷⁴ He told the committee that Healthscope to the best of its ability prepared for the hospital's opening, however, 'The fact that the problems encountered during the early days of the hospital's operations were more significant than should have been the case is a failure on the part of our company, and for that we apologise.'²⁷⁵

²⁶⁹ Health and Training Institute, *Northern Beaches Hospital: Site Visit Report*, 17 January 2019, p 2.

²⁷⁰ Health and Training Institute, *Northern Beaches Hospital: Site Visit Report*, 17 January 2019, p 3.

²⁷¹ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 12.

²⁷² Health and Training Institute, *Prevocational Education and Training Accreditation Survey Report: Northern Beaches Hospital*, 25 September 2019, p 8.

²⁷³ Health and Training Institute, *Prevocational Education and Training Accreditation Survey Report: Northern Beaches Hospital*, 25 September 2019, p 9.

²⁷⁴ Evidence, Mr Richard Royle, Acting Chief Executive Officer, Northern Beaches Hospital, 26 August 2019, p 27.

²⁷⁵ Evidence, Mr Royle, 26 August 2019, pp 16 and 27.

- 3.82** Similarly, in its submission, Healthscope acknowledged that it had failed to meet the community's and its own high expectations during the early period. It apologised and assured the committee that since the initial period it had directed all of its efforts into putting things right, with a focus in continuous improvement.²⁷⁶
- 3.83** Asked about the policies and procedures in place during its opening, Mr Stephen Gameraen, Healthscope's State Manager of Hospitals, refuted the claim that these were inadequate at the time of opening:
- We had over 600 policies and procedures on opening. We appointed a project officer who has done nothing but work with policies and procedures. He is a senior educator. He has worked with all the department heads, the doctors in charge of the different specialty groups, as a form of control, and reviewed all of those.
- He has used the local health district policies or other policies that go through a committee and are ratified. They are now all in place. We have all policies and procedures in place at the hospital now.²⁷⁷
- 3.84** In relation to the IT issues, Mr Royle told the committee that the EMR system had been operating from the first day but also acknowledged that it 'clearly was not up to the level ... of expectations'. He explained that since then, Healthscope and the hospital's management have been working closely in conjunction with doctors and IT specialists to significantly improve the system.²⁷⁸
- 3.85** Also in August 2019, Dr Simon Woods, Interim Director of Medical Services, confirmed that due to the early challenges with IT systems, some data relating to patients' time in the emergency department was unavailable. However Dr Woods told the committee that although this did reflect poorly on the productivity and efficiency in the emergency department, he did not believe this had had any effect on the provision of clinical care. Dr Woods further confirmed that the issues had now been resolved and the emergency department was able to track times, waiting periods and procedures.²⁷⁹
- 3.86** Mr Andrew Newton, the hospital's new Chief Executive Officer, later advised that in the first month of the hospital's operations, there were 17 instances of patients staying in the emergency department for over 24 hours.²⁸⁰
- 3.87** Healthscope acknowledged to the committee that the hospital had not expected such high levels of demand from patients seeking emergency care – some with significant levels of complexity and acuity.²⁸¹ Mr Gameraen reported that the hospital had taken actions to ensure that it responded better:

²⁷⁶ Submission 119, Healthscope, p 2.

²⁷⁷ Evidence, Mr Stephen Gameraen, State Manager – Hospitals, NSW and & ACT, Healthscope, 26 August 2019, p 26.

²⁷⁸ Evidence, Mr Royle, 26 August 2019, p 29.

²⁷⁹ Evidence, Dr Simon Woods, Interim Director of Medical Services, Northern Beaches Hospital, 26 August 2019, p 19.

²⁸⁰ Evidence, Mr Andrew Newton, Chief Executive Officer, Northern Beaches Hospital, 5 November 2019, p 17.

²⁸¹ Submission 119, Healthscope, p 12.

When we opened, we had a much higher ... use of our emergency department, especially with medical patients. I talked to Dr Ratchford [Director of Emergency Department] and his colleagues when I started this role and we looked at ways we could manage that workload better for the patients and for the hospital. The opening of a medical assessment unit with an excellent clinician who has joined us has made a difference to that medical cohort. ... Having that on opening would have been a good idea.²⁸²

3.88 The committee learnt that Northern Beaches Hospital now has a medical centre located next to the emergency department, and the doctors there care for lower acuity patients. Dr Andy Ratchford, Director of the hospital's emergency department, told the committee that the medical centre plays an important role in patient care and has reduced the number of patients presenting to the emergency department by 50 to 60 patients a day.²⁸³ Dr Ratchford reported that in October 2019, the NBH emergency department had met all of its KPIs for the first time, and their statistics indicate that NBH is now within the top 10 to 20 per cent of their peer group hospitals in the state.²⁸⁴ The recent performance of the hospital is explored in detail in chapter 7.

3.89 Mr Newton praised the emergency department for now meeting its KPIs, and highlighted that these have been achieved in spite of it treating higher acuity patients than other hospitals across the state:

I think that having the medical centre adjacent to the emergency department and taking those lower acuity patients away from the emergency department makes the result of achieving 81 per cent [of patients either admitted or discharged within four hours] even more phenomenal.

That means the emergency department has a technically higher acuity than what the other hospitals in New South Wales have. The important thing here is we are treating the patients in the right place first time and not having lower-acuity patients in the emergency department.²⁸⁵

3.90 In response to participants' and HETT's concerns about JMOs, Dr Woods acknowledged that junior doctors' workloads during the opening were 'excessive' and that doctors and the system were 'under stress' at the time. He assured the committee that the hospital had recruited more staff to alleviate these pressures, noting that the hospital continues to be externally scrutinised in this area:

The hospital recruited, both directly and with the aid of the local health district, additional JMOs and has also undertaken some expansion of the clinical teams, and that has been augmented by further JMOs. We are monitored in this area by a range of external agencies – HETT and the various colleges – who regularly come and inspect our training.²⁸⁶

²⁸² Evidence, Mr Gameren, 5 November 2019, p 20.

²⁸³ Evidence, Dr Andy Ratchford, Director, Emergency Department, Northern Beaches Hospital, 5 November 2019, p 22.

²⁸⁴ Evidence, Dr Ratchford, 5 November 2019, p 22.

²⁸⁵ Evidence, Mr Newton, 5 November 2019, p 22.

²⁸⁶ Evidence, Dr Woods, 26 August 2019, p 19.

- 3.91** Mr Gameren reflected that in hindsight, certain problems at the opening of the hospital could have been avoided with better planning. Here he identified the IT platform to enable sharing of patient information within the local health district, as well as medical supplies:

I think some of the key items that we could reflect on, which could have improved certainly the IT platform and commonality amongst the IT platform in terms of how the hospital opened, was I think the ability to spend more time working out the linkages with the NSLHD, which have now done so but would have been done in a less live environment, and we would have perhaps reflected on some of the services that we are now operating fairly successfully, which we could have brought forward. ... Obviously more attention to those early weeks with medical supplies et cetera would have been useful.²⁸⁷

- 3.92** Mr Gameren also considered that innovations such as the onsite medical centre could have been considered earlier in time and that a staged hospital opening over a longer period, rather than the hard transition, perhaps would have been a better option.²⁸⁸

- 3.93** Mr Gameren acknowledged how stressful the opening was for staff and praised them for their commitment to patient care, stating:

I think it is a source of regret for us all that those first weeks of the hospital opening were difficult. I think the pressure was most focused on the medical staff – the nurses, the doctors, the allied health staff – in providing care, and on clinical staff. They rose to the occasion, and that is fantastic. We thank them and value them greatly.²⁸⁹

- 3.94** Mr Gameren told the committee that the Northern Beaches Hospital's management recognised the hospital's staffing shortages early on and worked quickly to recruit more staff. He explained that to fill the shortage of nurses, Healthscope hired over 30 registered nurses from the United Kingdom and Ireland.²⁹⁰ Other measures included hiring more JMOs (including locums), recruiting or seconding nurses from other Healthscope sites, restructuring medical units and creating additional teams.²⁹¹

- 3.95** In relation to staffing contracts, Mr Gameren acknowledged that there had been industrial disputes around those for senior doctors at the time of the hospital's opening, but advised that they were 'now being dealt with and managed cooperatively and constructively with all parties around the table'.²⁹² Mr Gameren confirmed that Healthscope will be renegotiating the enterprise bargaining agreement for nurses and midwives with their unions in 2020.²⁹³

- 3.96** The committee took up the issue of hospital executive departures with Healthscope representatives, however Mr Gameren declined to provide any further information.²⁹⁴ Dr

²⁸⁷ Evidence, Mr Gameren, 5 November 2019, p 20.

²⁸⁸ Evidence, Mr Gameren, 5 November 2019, p 20.

²⁸⁹ Evidence, Mr Gameren, 26 August 2019, p 28.

²⁹⁰ Evidence, Mr Gameren, 5 November 2019, p 20.

²⁹¹ Submission 119, Healthscope, p 12.

²⁹² Evidence, Mr Gameren, 26 August 2019, p 27.

²⁹³ Evidence, Mr Gameren, 26 August 2019, p 27.

²⁹⁴ Evidence, Mr Gameren, 26 August 2019, p 20.

Woods advised the committee that as of August 2019, there were no specific vacancies of senior positions.²⁹⁵

- 3.97** With regard to low staff morale, Dr Ratchford acknowledged and commended the perseverance of the hospital's staff in spite of their stressful circumstances, underscoring the enhancements that the hospital has delivered in respect of care on the Northern Beaches:

[S]taff morale has suffered in the last year but despite that we have been able to provide very high levels of resuscitation for babies, children and adults that were not previously available at Manly or Mona Vale Hospitals.

I am very proud of our staff, they have worked very hard, they have been very resilient to provide these high levels of care and bring a much higher level of critical care closer to the Northern Beaches community than was previously available.²⁹⁶

- 3.98** Mr Royle addressed the concerns relating to patient safety, emphasising that thanks to the efforts of hospital staff, there had been no harm caused to patients during this period:

The reality is that I am led to believe that there [was] no actual clinical harm provided to anybody during that time. There were some challenges and that is a great recognition of the support and the assistance that all of our staff did during that time.²⁹⁷

- 3.99** Mr Gameren described the ways that Healthscope was now showing its appreciation to staff and seeking to improve its relationships with them:

We have taken a range of different activities from thanking people, from having barbeques outside, to newsletters. We have staff forums that are open for anyone to come and talk about things that need to improve and try to engage at all levels – be visible in the hospital and, really, try our level best to engage with all levels of staff up and down the organisation from the senior doctors right through to the cleaning teams. That has really been a feature of what we have tried to do after that initial start.²⁹⁸

- 3.100** Similarly, Mr Newton identified a number of engagement initiatives on the part of the management team, and attested that staff morale and workplace culture are improving at the hospital:

Now we have regular engagement with our staff, including direct communications and consultation meetings. Last week we celebrated the first anniversary of the hospital and had fantastic events over the Wednesday and Thursday, with many people coming in on their day off to participate. What I have seen is a positive workplace culture. Over my years in NSW Health and other places, I can certainly testify to the positive workplace culture at the Northern Beaches Hospital.²⁹⁹

- 3.101** Mr Newton acknowledged that the hospital had encountered a reputational issue in its first year of operations and like his colleagues before him, made a public apology. Asked by the committee

²⁹⁵ Evidence, Dr Woods, 26 August 2019, p 20.

²⁹⁶ Evidence, Dr Ratchford, 5 November 2019, p 29.

²⁹⁷ Evidence, Mr Royle, 26 August 2019, p 27.

²⁹⁸ Evidence, Mr Gameren, 26 August 2019, p 28.

²⁹⁹ Evidence, Mr Newton, 5 November 2019, p 20.

whether Healthscope employs media liaison services, Mr Newton confirmed that it does but insisted that Healthscope's apology was genuine and not a marketing strategy:

The media company does not advise us to apologise. We apologise because it is the right thing to do. When something happens, the important thing is to explain, apologise and reassure. It is very important when people are in a stressful situation, because it is important to acknowledge, if something has gone awry, that we know about it and that we are doing something about it. We apologise because it is the right thing to do.³⁰⁰

- 3.102** Healthscope representatives praised the efforts and commitment of their staff multiple times throughout the inquiry. Particular thanks were given to nursing, medical and allied health staff 'who pulled together so well over that time to provide an exemplary service'³⁰¹ and for all 'who show their commitment each day to achieving excellence in the care of patients'.³⁰²

NSW Health perspective

- 3.103** The committee also sought the perspective of NSW Health representatives on the issues documented in this chapter.

- 3.104** NSW Health representatives acknowledged that the hospital experienced significant problems at its opening. In doing so, the Chief Executive of the NSLHD, Ms Deborah Willcox, presented a dichotomy by drawing a clear demarcation between NSW Health's roles and responsibilities under the project deed and those of Healthscope. She asserted that whilst she was responsible for overseeing the contract provisions, Healthscope was responsible for the operations of the hospital, including staffing matters and patient care:

[M]y role [is] to manage the contract to purchase public patients services on behalf of NSW Health, and to ensure the private operator, Healthscope, of the NBH meets its obligations as set out in the project deed. In my role I do not have day to day management responsibility for the operations of the hospital in areas such as staffing, resources, planning or direct patient care. NBH has its own executive structure and is responsible for the day-to-day operations of the hospital.³⁰³

- 3.105** Ms Willcox informed the committee that NSW Health had worked closely with and supported Healthscope for several months to prepare for the opening of the hospital. It established a program management office with a series of work streams responsible for areas such as workforce, clinical services and IT. It also facilitated the sharing of policies, protocols and procedures, models of care and service linkages, and also that staff were released for training purposes.³⁰⁴
- 3.106** Ms Willcox maintained that Healthscope was responsible for ensuring the operational readiness of the Northern Beaches Hospital. She explained that in accordance with the project deed, an Independent Verifier had been appointed and from July 2018, met weekly with Healthscope

³⁰⁰ Evidence, Mr Newton, 5 November 2019, p 21.

³⁰¹ Evidence, Mr Gameraen, 5 November 2019, p 20.

³⁰² Evidence, Mr Royle, 26 August 2019, p 16.

³⁰³ Evidence, Ms Willcox, 26 August 2019, p 3.

³⁰⁴ Evidence, Ms Willcox, 26 August 2019, p 3.

and NSW Health to review progress and the status of completion activities. After reviewing Healthscope's completion report, the Independent Verifier issued the operational readiness certificate to the hospital on 23 October 2018.³⁰⁵

- 3.107** Dr Nigel Lyons, NSW Health's Deputy Secretary of Health System Strategy and Planning, confirmed that the Independent Verifier had checked that there were sufficient levels of medical supplies at the time of opening and indicated that rather, the problems of supplies related to procurement and supply chains:

The independent verifier, in my recollection, actually had an audit of the supplies, the drugs and IV fluids. They were all in place at the time of opening. The issues that emerged subsequent to the opening were issues about procurement processes and the supply chain, not that they were not there when the hospital opened. They certainly were there and they were independently verified.³⁰⁶

- 3.108** NSW Health's view was that Northern Beaches Hospital had ticked off the prerequisite 'operational readiness' requirements and had met all of its licensing and compliance requirements prior to opening. It advised the committee that a final licence covering all classes of services and treatment was issued to Healthscope on 15 October 2019 as a precondition of operational readiness. In addition, after its opening, the hospital was fully accredited by the Australian Council of Healthcare Standards.³⁰⁷

- 3.109** Ms Willcox also advised the committee that during the opening phase, the NSLHD maintained frequent and ongoing contact with the hospital's executives to provide advice and offer resources in relation to the early staffing and supply issues. She explained, 'It was in our mutual interest to make sure we supported them and provided all the resources at our disposal to help them.'³⁰⁸

- 3.110** Beyond the NSLHD, other NSW Health representatives explained that during the opening months they were also heavily involved in providing the hospital with relevant resources, assistance and advice to alleviate some of the pressures. Ms Susan Pearce, Deputy Secretary of Patient Experiences and System Performances at NSW Health, described these interactions as 'robust', 'necessary' and occurring on a daily basis:

Our interaction with the management team that was there at the time was robust and I think that was something that was absolutely necessary for us to be involved in, along with the local health district ... We worked with the Northern Beaches team around issues, for example, with the staffing and some of the challenges that they had at the start. Patient flow, for example – we sent our staff in to help with some of those patient flow issues at the start. We also assisted wherever necessary with things like supply chain and warehousing, and on a daily basis were offering them guidance and support.³⁰⁹

³⁰⁵ Evidence, Ms Willcox, 26 August 2019, p 3.

³⁰⁶ Evidence, Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 26 August 2019, p 9.

³⁰⁷ Submission 224, NSW Health, p 5.

³⁰⁸ Evidence, Ms Willcox, 26 August 2019, p 5.

³⁰⁹ Evidence, Ms Susan Pearce, Deputy Secretary, Patient Experiences and System Performance, NSW Health, 5 November 2019, pp 33-34.

3.111 In response to clinicians' claims that they were not consulted on the physical design of the hospital, Ms Willcox defended the process, saying there was a 'lot of input from clinical staff to design the layout and the fit-out to make sure that it was for contemporary practices'.³¹⁰ She reflected that the new layout has made the provision of services more effective, compared to what it had been at Manly and Mona Vale Hospitals.³¹¹

3.112 NSW Health's work to address the IT systems is documented in chapter 6.

3.113 The committee took up the matter of policies and procedures with NSW Health representatives, who responded that the NSLHD had shared hundreds of documents with Healthscope to assist the transition process:

We shared literally hundreds of policies and procedures and protocols and models of care in the lead up to the opening of the hospital. The clinical staff at both Manly and Mona Vale and the clinical staff at the Royal North Shore Hospital were actively involved in preparing the service transition and the service linkages as we transitioned across.³¹²

3.114 The committee pursued Ms Willcox regarding the matter of Healthscope's apparent decision not to adopt all of the NSW Health policies. Ms Willcox was of the opinion that it would have been beneficial for staff and the hospital itself had the hospital adopted the same policies:

It seemed to make perfect sense to move the policy straight across into the new hospital as opposed to starting from scratch. It also meant there was a level of familiarity for staff – that they were not needing to reacquaint themselves with new processes and protocols they did not need to. All of that moved across as part of the operational readiness.³¹³

3.115 Like Healthscope representatives, senior staff of NSW Health also expressed their gratitude to the almost 700 medical and support staff who transferred to the Northern Beaches Hospital, with Dr Lyons stating:

I also take the opportunity to pay tribute to the committed professional staff who transitioned from Manly and Mona Vale hospitals to the NBH and who continue to provide exemplary care for the Northern Beaches community. Our frontline clinicians have demonstrated expertise and compassion and we should acknowledge their hard work.³¹⁴

3.116 The NSW Health submission acknowledged that initially there were industrial disputes with staff contracts, but confirmed that they have since been resolved with the assistance of the relevant unions:

Concerns were raised regarding the process of engagement for senior medical staff, including contract terms for Visiting Medical Officers, Staff Specialists, and the structure and function of various clinical services. Together with the [AMA (NSW)] and

³¹⁰ Evidence, Ms Willcox, 26 August 2019, p 13.

³¹¹ Evidence, Ms Willcox, 26 August 2019, p 13.

³¹² Evidence, Ms Willcox, 26 August 2019, p 12.

³¹³ Evidence, Ms Willcox, 26 August 2019, p 12.

³¹⁴ Evidence, Dr Lyons, 26 August 2019, p 2.

ASMOF, NSW Health worked closely with Healthscope to resolve concerns through consultation with affected medical staff.³¹⁵

- 3.117** When asked in August 2019 about the departures of senior hospital staff, Ms Willcox stated that she was not aware of any other major resignations recently.³¹⁶
- 3.118** In response to the adverse findings in the HETI reports, NSW Health advised that it had worked together with Healthscope and ASMOF to implement a suite of interventions including enhancing staffing levels and after hours rostering to improve workload distribution and to support the JMO workforce.³¹⁷
- 3.119** Ms Willcox further advised that the NSLHD had worked very closely and promptly with Healthscope to provide resources or assistance required in the emergency department. As an example, when patient flow through the hospital had been identified as an early issue, the NSLHD sent one of its senior nurse managers to work onsite with the hospital's emergency department staff for four weeks to review and improve their flow processes. In addition, NSW Ambulance and the hospital held daily meetings to manage issues more effectively and make any required escalations.³¹⁸
- 3.120** Ms Pearce advised that because of the early issues relating to data transmission in the emergency department, NSW Health sent a team of external independent auditors to manually check emergency department performance.³¹⁹
- 3.121** Ms Willcox expressed confidence in the hospital's emergency department, noting that as of November 2019, it was seeing approximately 170 patients a day, consistent with other hospitals of its size in Sydney.³²⁰ She also confirmed that since December 2018, there have been no further 'long length stays' in the emergency department.³²¹
- 3.122** Ms Willcox attributed these improvements to Healthscope management and its staff working very hard to provide a 'stellar service' to the Northern Beaches community,³²² and highlighted the hospital's transfer of care results, triage performance and emergency treatment performance that were very strong.³²³
- 3.123** Ms Pearce also unequivocally apologised on behalf of NSW Health and acknowledged that the many challenges experienced at opening had had a direct impact on the community's perception, but underscored that the early issues have been addressed:

³¹⁵ Submission 224, NSW Health, p 13.

³¹⁶ Evidence, Ms Willcox, 26 August 2019, p 8.

³¹⁷ Submission 224, NSW Health, p 12.

³¹⁸ Evidence, Ms Willcox, 26 August 2019, p 4; Submission 224, NSW Health, p 13.

³¹⁹ Evidence, Ms Pearce, 5 November 2019, pp 40-41.

³²⁰ Evidence, Ms Willcox, 5 November 2019, p 34 and 37.

³²¹ Evidence, Ms Willcox, 5 November 2019, p 32.

³²² Evidence, Ms Willcox, 26 August 2019, p 14.

³²³ Evidence, Ms Willcox, 5 November 2019, p 33.

Of course we are very sorry for those issues that occurred upon opening. There is no question of that and there is no reason for us not to be open and clear about that. I think we have expressed that many times in various forums and to the community of the Northern Beaches.

Obviously we want [the Northern Beaches community] to have confidence in their hospital. It is very important that people have confidence in their health service. What we are seeing now is we absolutely acknowledge the issues upon opening of the hospital. We have worked with the health service to improve those; they have improved.³²⁴

- 3.124** As noted above, further evidence from NSW Health and Healthscope representatives regarding improvements at the Northern Beaches Hospital is documented in the final chapter of this report.

Committee comment

- 3.125** The committee does not question the complexities and difficulties involved in building, establishing and commissioning a brand new hospital. The committee accepts that the tasks would have required months, if not years, of meticulous preparation and planning by Healthscope and NSW Health. However the extent and serious nature of some of the problems associated with the opening of the Northern Beaches Hospital and in the following months suggest to the committee that the planning and preparation for the opening was inadequate.
- 3.126** It is clear to the committee that the problems began early, starting with insufficient engagement with staff, their union representatives and key community groups in the years after the hospital was announced. In respect of staff readiness, those transferring from Manly and Mona Vale Hospitals did not receive timely and complete information about their contracts for roles that they would be commencing in a matter of weeks. They were also not given enough time to consult their unions or negotiate changes. Staff orientation was inadequate and substandard. The committee was shocked to hear from numerous inquiry participants about the lack of essential resources available immediately after opening, including medical and support staff, and medical supplies. Furthermore, neither the emergency department nor the IT system was fit for purpose for the opening of a large state of the art hospital, and for some months after its opening.
- 3.127** In the committee's view, responsibility for the poor opening of the hospital lies not just with Healthscope but also the local health district, whom we believe should have intervened much earlier and more actively to prevent and address the problems in the opening period. Correspondingly, the committee considers that both the local health district and Healthscope should have more adequately supported the doctors, nurses and allied health professionals who worked valiantly in the months that followed.
- 3.128** The opening issues undeniably put immense pressure on all staff. The junior medical doctors have demonstrated their resilience and commitment to patient care, despite having to adjust to a private hospital culture and structure, being understaffed, working excessive hours and lacking support from management. The committee believes that the JMOs were pushed exceptionally hard, working unreasonable hours and subject to dangerous working environments. The committee commends them, and the broader Northern Beaches Hospital workforce, for the exemplary care and professionalism they showed towards their public and private patients alike.

³²⁴ Evidence, Ms Pearce, 5 November 2019, p 34.

- 3.129** Like many stakeholders, the committee acknowledges that opening a hospital is no easy feat. Some of these problems may have also been an issue for the commissioning of a traditional public hospital. The committee understands Healthscope was responsible for ensuring that the hospital was operationally ready and that NSW Health was their collaborative and supportive partner. However, given the wealth of knowledge and experience between NSW Health and Healthscope in opening new health facilities, the committee feels that both parties should reasonably have anticipated these issues prior to the opening, and by failing to do so, they let down the community and hospital staff. Healthscope's ticking off of the relevant licensing and compliance conditions, as well as NSW Health's support, proved not to be sufficient to create a safe hospital environment. Nor did they mitigate the severity of the problems experienced at the opening.
- 3.130** There is no doubt that the Northern Beaches Hospital opened before it was ready and this raises a number of questions for the committee. Was the hard opening of the hospital necessary? Why did NSW Health and Healthscope not decide to undertake a more staged opening and transfer of services from Manly and Mona Vale Hospitals to the new facility? The committee believes that a 'soft opening' or a 'staged transfer' of services would have given Healthscope greater time to adequately prepare for the hospital's opening, which would have alleviated some of the pressures experienced by staff and also avoided risks to patient safety.
- 3.131** During its visit to the hospital in September 2019, the committee was able to see firsthand the suite of new capabilities at the Northern Beaches Hospital. Despite our positive first impressions, the committee takes seriously the evidence we received about the hospital's design and layout arising from a lack of meaningful consultation with clinicians and key community groups. We are thus left with further questions about the adequacy of the design, and whether it would have been better had more meaningful consultation occurred.
- 3.132** The committee also viewed the GP medical centre embedded alongside the busy emergency department. We see the merits of such an arrangement and consider it an innovative and potentially useful model to reduce the number of lower acuity patients presenting to the emergency department that deserves further examination.
- 3.133** The committee was pleased that HETI has independently verified that since the opening period the hospital has made significant progress, particularly relating to relieving staffing pressures and fixing the IT system. Similarly, evidence to our inquiry indicates that the hospital is starting to stabilise. That being said, the committee is concerned at the evidence that the hospital has struggled to maintain a stable and permanent workforce a year after the opening, and we share the concern of unions that it is important to maintain nurse to patient ratios in the interests of patient care.
- 3.134** We are pleased with the commitment of both NSW Health and Healthscope representatives to an ongoing collaborative relationship. We encourage NSW Health to keep Healthscope accountable to the same standards and expectations of every hospital in the public network, and to strictly and transparently monitor their performance when caring for public patients.
- 3.135** The committee strongly believes that the Northern Beaches Hospital's opening experience was inexcusable. The experience should serve as an example to NSW Health and any other potential healthcare providers of the meticulous planning, preparation and community and staff consultation that is needed before any new public hospital is opened, let alone a hospital with a fundamentally different model of funding and operation. In the committee's view it also

highlights the irreconcilable challenges in contracting a private operator to run a public hospital, particularly the challenges that arise from the dissonance in values between the public and private hospital sectors. These challenges are identified and explored time and again throughout this report.

- 3.136** In the committee's view, the public private partnership at the Northern Beaches Hospital embodies the inherent tension of a private operator providing medical services to public patients. We consider that this particular model has created an arm's length scenario that is not in the interests of patient care. While NSW Health has characterised itself as solely responsible for oversight of the contract and Healthscope as responsible for day to day operations, we do not see this as such a clear dichotomy. When the NSW Government took the decision to establish the Northern Beaches Hospital under this PPP model it did not absolve its responsibilities to ensure the highest standards of public health care.

Chapter 4 Public and private patients

This is the first of two chapters focusing on the ongoing management and operation of the Northern Beaches Hospital (NBH) in terms of its effectiveness in providing health care services to patients and the local community. As noted in chapter 1, the Northern Beaches area has a history of very active community campaigns focusing on health care provision. Correspondingly, the concerns of local community members and other stakeholders are a key focus of this chapter and the next.

This chapter explores a number of concerns raised by inquiry participants about the hospital's service provision in respect of public and private patients, with the overriding theme that public patients may not be as well served by this public private partnership as they should be. The following chapter takes up the geographical issues, noting that these intersect significantly with the concerns about the quality and types of care for public patients.

First, the chapter examines the evidence the committee received with respect to the number of public beds at the new hospital. It then documents participants' views with respect to whether there is a two tier system operating at the hospital, in which private patients receive preferential treatment and better access to some medical procedures. Two key imperatives emerged in respect of this issue: equitable treatment for all and protection against pressures to 'go private'. Next the committee examines participants' reports of reduced free services and increased out of pocket costs for patients including for outpatient services. The chapter then explores the possibility that there is a third tier operating at the hospital in respect of country patients, followed by a number of issues in respect of the provision of public maternity services at the hospital. Last, the committee considers the need to improve the local community's understanding of the hospital's role and services.

As with other chapters, a key theme is the need for greater transparency in respect of the hospital, particularly in the context of the public private partnership under which it operates.

Bed numbers

- 4.1 A key focus of concern during the inquiry was whether the number of public beds available to patients in the Northern Beaches area has reduced with the advent of the Northern Beaches Hospital.

Community and other perspectives

- 4.2 A notable concern among some stakeholders was that the number of public beds has actually decreased from that at Mona Vale and Manly Hospitals before they were closed. The Save Mona Vale Hospital Community Action Group voiced strong concern that 'When fully operational, the NBH will have 50 fewer public beds available than the number that were at Manly and Mona Vale public hospitals combined'.³²⁵ Asked about the quantum of bed numbers in the catchment area before and after Northern Beaches Hospital opened, Mr Parry Thomas, the Action Group's Chairman, proposed that the quantum increase in beds is 'very slight' and that ultimately 'you could toss a coin as to whether there is a few more or a few less'.³²⁶

³²⁵ Submission 121, Save Mona Vale Hospital Community Action Group, p 4.

³²⁶ Evidence, Mr Parry Thomas, Chairman, Save Mona Vale Hospital Community Action Group, 26 August 2019, p 33.

- 4.3 The Palm Beach Whale Beach Association noted that the Northern Beaches Hospital is supposed to have 488 beds, and questioned how many have been opened.³²⁷
- 4.4 The Northern Beaches Greens were also concerned that there has been no substantial increase in the number of beds at the hospital. As an example it suggested that while the number of private mental health beds has increased, 'public mental health bed numbers have remained the same, despite a widely acknowledged desperate shortage in this area.'³²⁸
- 4.5 Participants' concerns about the overall adequacy of the hospital for the catchment area are explored in the following chapter.

NSW Health perspective

- 4.6 The committee explored with both NSW Health and Healthscope representatives the issue of bed numbers before and after the hospital's establishment, including for public versus private patients.
- 4.7 NSW Health advised the committee that the specific number of public beds at the hospital is a matter for Healthscope,³²⁹ however at the time of opening the hospital had 423 beds in total, with the ability under the deed to increase to a capacity of 488 beds if required.³³⁰ The project deed stipulates at least 423 beds with a minimum of 173 private patient designated beds, and sufficient capacity to meet public patient demand.³³¹
- 4.8 The committee asked NSW Health representatives whether it was true that the number of public beds had reduced from 350 at Manly and Mona Vale combined, to 300 at Northern Beaches Hospital. Ms Deborah Willcox, Chief Executive of the Northern Sydney Local Health District (NSLHD) advised that the split of beds at the new hospital is around 60 percent private to 40 per cent public, and that because of the mix of public and private patients it is not easy to compare the number of beds with those at Manly and Mona Vale. Noting that the actual bed numbers are a matter for the operations of Healthscope, she emphasised that the NSLHD is focused on ensuring that 'public patients are receiving the types of care they require, are closer to home and that the performance of the hospital is at a level of other public hospitals in the State.'³³²
- 4.9 Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, explained that the purchasing arrangements between the LHD and Healthscope are not for beds per se but for levels of service, consistent with public hospitals across New South Wales:

We are contracting for a level of service and that level of service is dictated in the contract in the annual notice. It is saying, how many emergency department attendances

³²⁷ Submission 111, Palm Beach and Whale Beach Association, p 3.

³²⁸ Submission 113, Northern Beaches Greens, p 4.

³²⁹ Evidence, Ms Deborah Willcox, Chief Executive, Northern Sydney Local Health District, 26 August 2019, p 9.

³³⁰ Evidence, Ms Willcox, 26 August 2019, p 7.

³³¹ Evidence, Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 26 August 2019, p 8.

³³² Evidence, Ms Willcox, 26 August 2019, p 9.

are we paying for? How many admissions to hospital are we paying for? It is designating the level of activity that we want to see. How the operator provides that, is up to the operator. That might vary on a day today basis depending on what activity is going through the hospital ... When we purchase services from any public hospital in New South Wales now, we purchase through an arrangement where we actually purchase the service. You do not talk about ... buying a certain number of beds.³³³

- 4.10** Challenged by the committee that notwithstanding how the department sees the issue of beds, the submissions to this inquiry indicate a strong community concern that the number of public beds has reduced, Dr Lyons of NSW Health emphasised the complexity of this issue, and the more comprehensive range and higher level of services provided at the Northern Beaches Hospital than previously existed in the area:

I will come back to the point, which is looking at beds and counting beds, you need to look at the occupancy rates at both of those hospitals prior to the opening of Northern Beaches. You need to add the number of private patients actually cared for in those beds. You need to look at the length of stay of patients in those beds. You need to look at the complexity of the patients in those beds before you can make any direct comparison. It is really important we do not just look at bed numbers and say, it was this before and it is this now ... What I am saying is that there are other ways to look at it, which is that there are more services available now ... They are much more complex services. There are a higher level of services now available.³³⁴

- 4.11** The issue of higher levels of service at the hospital is discussed in detail in chapter 5.

Healthscope perspective

- 4.12** Mr Richard Royle, Interim Chief Executive Officer of Northern Beaches Hospital, acknowledged that although services are actually what is purchased, there will always be a focus on bed numbers. He told the committee that as of August 2019 there were 291 public acute beds available and, at times, used at Northern Beaches Hospital, compared with 279 in Mona Vale and Manly public hospitals.³³⁵
- 4.13** Mr Royle suggested that one reason for the difference in numbers was the presence of rehabilitation (non-acute) beds that continue to be provided in different formats and are not part of the contract for Northern Beaches Hospital.³³⁶ He further advised that in addition to the 291 public beds at the Northern Beaches Hospital, there are approximately 195 private beds.³³⁷ Mr Andrew Spillane, the hospital's Director of Finance, advised that the hospital is licensed by the NSW Health private hospital licensing branch for 486 beds: 439 overnight beds; 41 emergency department beds; and six paediatric short stay beds. As an example of occupancy of

³³³ Evidence, Dr Lyons, 26 August 2019, p 9.

³³⁴ Evidence, Dr Lyons, 26 August 2019, p 10.

³³⁵ Evidence, Mr Richard Royle, Interim Chief Executive Officer, Northern Beaches Hospital, 26 August 2019, p 20.

³³⁶ Evidence, Mr Royle, 26 August 2019, p 20.

³³⁷ Evidence, Mr Royle, 26 August 2019, p 21.

those beds, he indicated that on the night of 25 August 2019 there were 363 patients in beds in the hospital: 187 public patients and 176 private patients.³³⁸

4.14 Asked how many beds are available on a particular date for public patients and for private patients, Healthscope responded in both cases, 'As many as necessary on any given day to meet the patient demand.'³³⁹

4.15 Healthscope staff further elucidated how bed occupancy works, with Dr Woods explaining how demand and clinical need drives supply. Seasonal fluctuations in the emergency department and other areas of the hospital such as maternity produce ebbs and flows in the number of beds allocated to particular specialties with the hospital, which necessarily responds with flexibility:

Not to be evasive about this, but our job day to day is to provide the appropriate number and the appropriate beds to deal with the demand. We are purely driven by demand and clinical need rather than perhaps in the old days when you could say, "There is no bed in the orthopaedic ward so you'll have to wait in the emergency department". We will flex and there is a whole team responsible 24/7 for ensuring that the patients get an appropriate bed.³⁴⁰

4.16 Dr Woods observed that while there is a large degree of flexibility, there are limits to it, and further indicated that in most areas of the hospital, there is no real distinction between public and private beds:

It is also important to recognise that there is not a clear distinction in our mind between—at least in most areas—the public and the private beds. Patients will, as we call it, surge from one area and into the other because we will put them where the care is—we will bring the care to the patient.³⁴¹

A two tier system?

4.17 A very significant concern among numerous participants was that the Northern Beaches Hospital may be operating under a two tier model, in which private patients receive preferential treatment and better access to some procedures. For many, this was a troubling reflection of the cultural differences between the public and private hospital systems documented in the previous chapter.

4.18 As noted in chapter 1, Healthscope is contracted to provide healthcare for public patients at no cost, and also to private patients. Appropriate clinical treatment is to be provided irrespective of private insurance status or ability to pay. If a patient attends the hospital and requires inpatient treatment they can elect to use their private health insurance and be admitted as a private patient. If they have no private insurance or elect not to use it, they are to be admitted as a public patient and treated at no cost.³⁴²

³³⁸ Evidence, Mr Andrew Spillane, Director of Finance, Northern Beaches Hospital, 26 August 2019, p 21.

³³⁹ Answers to questions on notice, Healthscope Ltd, received 20 September 2019, p 6.

³⁴⁰ Evidence, Dr Simon Woods, Interim Director of Medical Services, Northern Beaches Hospital, 26 August 2019, p 24

³⁴¹ Evidence, Dr Woods, 26 August 2019, p 24.

³⁴² Submission 224, NSW Health, pp 10 and 12.

Community and other perspectives

- 4.19** Two particular concerns emerged in respect of the perceived two tier system at Northern Beaches Hospital. The first related to the fundamental issue of equitable treatment, and the second to whether patients are pressured to use their private insurance.

Equitable treatment

- 4.20** Emblematic of this alleged two tier model, and its dissonance with the values of the public hospital system, was the Health Service's Union's evidence that food services staff members were told when they commenced working at the hospital 'that they would only serve hot breakfasts to the private patients and serve cold breakfasts to the public patients.'³⁴³
- 4.21** More fundamentally, a major concern emerged that medical care is not provided equitably. Dr Tony Sara, President of the Australian Salaried Medical Officers' Federation of NSW (ASMOF) highlighted that, 'There is an increased level of care available for those with private insurance ... It is a two-tier system; that is the way it was designed ... That is the role delineation of it.'³⁴⁴
- 4.22** Similarly, the Palm Beach and Whale Beach Association contended that while the project deed stipulates that public patients must receive the same treatment, investigations and procedures as private patients, 'There is good evidence that Healthscope has been prioritising patients according to their private health insurance status.'³⁴⁵ Professor Richard West, President of the Association, informed the committee:

When they are private they can get extra services ... Healthscope has stated that it has available some level 6 services such as cardiac and neurosurgery but these are only available to private patients. This is unacceptable. All services that are available must be available to both private and public cases ... The contract clearly states that all patients should receive the same level of service.³⁴⁶

- 4.23** Professor West further noted that Healthscope's submission to the inquiry clearly indicates that Northern Beaches Hospital 'provides services to public patients up to level 5 (NSW Health role delineation). It also has capabilities beyond level 5, which are currently available to private patients.'³⁴⁷ He went on to argue that this is anathema to the public hospital system and to his core values as a career specialist:

In every hospital I worked in New South Wales, there is no question: All services available are available to both public and private patients ... I think that is appalling. All through my career I looked after public and private patients. They were my responsibility and they got the same treatment.³⁴⁸

³⁴³ Submission 108, Health Services Union, p 2.

³⁴⁴ Evidence, Dr Tony Sara, President, Australian Salaried Medical Officers' Federation of NSW, 26 August 2019, p 53.

³⁴⁵ Submission 111, Palm Beach and Whale Beach Association, p 3.

³⁴⁶ Evidence, Professor Richard West, Visiting Medical Surgeon, Royal Prince Alfred Hospital and President, Palm Beach and Whale Beach Association, 23 September 2019, p 4.

³⁴⁷ Submission 119, Healthscope Ltd, p 7; Evidence, Professor West, 23 September 2019, p 5.

³⁴⁸ Evidence, Professor West, 23 September 2019, p 5.

- 4.24** Highlighting the lack of clarity about what services are differentially available, Professor West called for much greater transparency so that the public understand what services they can access as public or private patients. He also called for greater oversight of service provision, to ensure that public patients are not disadvantaged.³⁴⁹
- 4.25** Questioned by the committee, Mr Thomas of the Save Mona Vale Hospital Community Action Group attested to anecdotal evidence from the Pittwater community of a two tier system at the hospital with preference for private patients,³⁵⁰ and like Professor West, he called for greater transparency around this.³⁵¹ Highlighting the lack of clarity about the hospital's role delineation in respect of various services, he stated:
- We are continually told it is level 5. We get feedback from doctors and nurses who say a whole range of services is certainly nowhere near level 5. That was my point earlier about giving us a role delineation detail, which shows us what services is provided at what level. I think that is the key. It is easy to call a hospital a level 5 hospital but you do not have to provide all your services at level 5. They are providing some service at level 6 to their private patients.³⁵²
- 4.26** Mr Thomas further observed that this aspect of the hospital's business model is built into the deed:
- Again, a part of the requirement is to make sure that they have either got equal or more services to private patients than public patients. The reason for that is if you are providing less services to the private patient than the public patient, all of those private patients, who you would not have to pay for under the public system, would all want to go public.³⁵³
- 4.27** Also underscoring concerns about equitable access to cardiac procedures, the Save Mona Vale Hospital Community Action Group outlined the case of a Pittwater resident:
- Local resident John Whitehead had been told by his cardiologist that he needed to have a mitral valve in his heart replaced and would require a pre-surgery angiogram. Mr Whitehead was booked in for the angiogram at NBH and had completed an admission form online that included details about his NIB health insurance policy. However, he was informed by the hospital that Healthscope did not yet have an agreement with NIB. Mr Whitehead elected to be admitted as a public patient but was told the procedure would cost him \$4,945 because NSW Health would not pay the NBH for angiograms or stenting on a public patient. "So in their words, the services provided for public patients in the hospital are [different to those for private]", he said.³⁵⁴
- 4.28** The Palm Beach and Whale Beach Association argued specifically that differentiated care in respect of cardiac procedures must be addressed:

³⁴⁹ Evidence, Professor West, 23 September 2019, pp 4 and 9.

³⁵⁰ Evidence, Mr Thomas, 26 August 2019, p 33.

³⁵¹ Evidence, Mr Thomas, 26 August 2019, p 40; Submission 121, Save Mona Vale Hospital Community Action Group, p 23.

³⁵² Evidence, Mr Thomas, 26 August 2019, p 40;

³⁵³ Evidence, Mr Thomas, 26 August 2019, p 40;

³⁵⁴ Evidence, Dr Caroline Rogers, General Practitioner, 23 September 2019, p 10

Coronary Angiograms and insertion of stents for patients with cardiac ischaemia must be performed for both public and private patients at the NBH 24 hours a day 7 days a week. The patients must not be transferred to RNSH. This causes unacceptable delays in treatment.³⁵⁵

- 4.29** Shedding further light on this issue, a community member told the committee of her mother's experience during a six week stay from April 2019. Documenting many concerns about the clinical and nursing care her mother received, this submission author commented, 'Our treatment improved markedly when we shifted from public to private patient care – I feel sorry for the public patients'.³⁵⁶

Are patients pressured to 'go private'?

- 4.30** Numerous inquiry participants alleged that individual patients were pressured at the Northern Beaches Hospital to access their care as privately insured rather than public patients. They said this was very difficult for low income patients, as well as inappropriate, offending against the egalitarian ethos of the public system. They also saw it as at times ethically questionable.
- 4.31** Mr Thomas of the Save Mona Vale Hospital Community Action Group told the committee, 'There is this push continually to make sure that anyone who has got private health uses it in the hospital'.³⁵⁷
- 4.32** In addition, the HSU alleged that patients are pressured into using their private health cover rather than being admitted as public patients, noting that this 'not only makes them liable for excess charges but affects the type and level of care they receive both as inpatients and upon discharge'.³⁵⁸ It documented statements from allied health practitioners at the hospital to substantiate this claim:

Elderly patients have been almost forced to use their health fund without knowing they will miss out on services for safe discharge home. Allied Health has to restrict services to private patients due to short staffing levels.³⁵⁹

[Healthscope staff are] targeting patients to attend their rehab site despite acute allied health team's recommendations [that the] patient [is] safe for home and not requiring rehab. Patients then get transferred to rehab and bill their insurance when not required.³⁶⁰

- 4.33** The committee pressed Mr Gerard Hayes, Secretary of the HSU, on his union's allegation of pressure on patients to go private. He responded that union staff who interviewed members said that this was put to them, particularly by the hospital's administrative staff. He then suggested that such pressure 'is not something uncommon in a facility like this and, indeed, in places like Port Macquarie it was an active strategy'.³⁶¹

³⁵⁵ Submission 111, Palm Beach Whale Beach Association, p 8.

³⁵⁶ Submission 104, Name suppressed, p 2.

³⁵⁷ Evidence, Mr Thomas, 26 August 2019, p 40;

³⁵⁸ Submission 108, Health Services Union, p 6.

³⁵⁹ Submission 108, Health Services Union, p 6.

³⁶⁰ Submission 108, Health Services Union NSW, p 6.

³⁶¹ Evidence, Mr Gerard Hayes, Secretary, Health Services Union NSW, 26 August 2019, p 65.

4.34 Late in the inquiry the media published an anonymous allegation from an employee of the Northern Beaches Hospital that 'hospital management had offered patient liaison officers cash incentives to increase the number of "conversions" of public to private patents'. The allegation was included in an article reporting that NSW Police were investigating a hospital employee, on the initiative of Healthscope, for having allegedly forged patients' signatures to have them admitted as private patients without their consent.³⁶² The article continued:

"Patient liaisons were encouraged to present the benefits of using their private insurance, and skim over or hide being public as even an option," the [whistleblower] employee said.

"A monetary commission incentive was put in place of \$250 to the entire emergency patient liaison team if quarterly target conversion rates were achieved."

Hospital management gave "verbal encouragement" for patient liaison officers to "sell" the option of going private, the whistleblower alleged, expressing concern that this was "unethical".

Healthscope declined to confirm or deny the whistleblower allegation and the hospital did not respond to a request to interview its financial director, Andrew Spillane.

A hospital spokeswoman said in a statement the employee accused of forging the patient forms "no longer works for Healthscope" after breaching the company's employee code of conduct.³⁶³

4.35 General practitioner Dr Caroline Rogers attested to 'Patients being told implicitly or explicitly that the only way for them to access care is to do so in the private sector',³⁶⁴ and described a scenario that had happened to more than one of her patients in respect of surgical conditions:

I have specific instances where patients have arrived in the emergency department with surgical conditions and have been sent home, told they have to make an appointment with a private specialist at the cost of \$220. They phone up the specialist, they cannot get an appointment for four to six weeks. I phone the specialist, the specialist says, "I can get them in today." So they get admitted to the hospital and then the choice is you can either be operated on today in the private system or we have 17 patients on the public waiting list, so I cannot tell you when you will be operated on. This is someone who is in pain ... They could then go home, or they could wait, but [the hospital] cannot guarantee when the surgery would be done ... The patient was told several times that this particular operation was not available in the public sector.³⁶⁵

4.36 Dr Elana Roseth, another general practitioner, told the committee about the son of one of her patients, who received inpatient psychiatric care and whose case she has since raised with the hospital's head of psychiatry. Aside from concerns about his treatment, Dr Roseth was highly critical that he was asked to consent to being switched from a public patient to a private patient while he was experiencing psychosis:

³⁶² Dana McCauley, 'Sacked hospital employee accused of forging forms to boost private admissions', Sydney Morning Herald, 26 December 2019.

³⁶³ Dana McCauley, 'Sacked hospital employee accused of forging forms to boost private admissions', Sydney Morning Herald, 26 December 2019.

³⁶⁴ Submission 1, Dr Caroline Rogers, p 1; Evidence, Dr Rogers, 23 September 2019, p 11.

³⁶⁵ Evidence, Dr Rogers, 23 September 2019, p 11.

One of my patient's sons was admitted with severe psychosis and drug problems. According to her there were multiple instances of lack of communication. She feels the medication and care was mismanaged dangerously and she says he was admitted to intensive care with dehydration because of poor patient care. I am not going to comment on the actual medical treatment, but of the many things that concerned me about this case, it was that he was asked to sign a form changing him to being a private patient while he was acutely unwell and quite psychotic. [His mother] felt this was unethical. She tried to write a letter to the complaints department and got no response. She then wrote to Brad Hazzard. I have talked about this case to the head of psychiatry.³⁶⁶

4.37 The Save Mona Vale Hospital Community Action Group advised the committee that, 'We have also heard that emergency patients are steered towards admissions as private patients – so that the department effectively becomes a feeder for the private hospital.'³⁶⁷

4.38 Mr Thomas contended that the unique amalgamated co-location model under which the hospital operates has led to pressure on patients to go private because under the deed, the hospital has an inherent interest in maximising private care:

[T]his concept of co-location works if you have a public hospital beside a private hospital. It does not and it has not worked when you try and amalgamate the two. A really interesting example: they talked about not pressuring patients to go private. Page 25 of the deed ... says [Healthscope] will use their best endeavours to make these patients go private. That is significant, and the reason for that is obvious: they are trying to reduce the cost for delivering health. It is logical when you have this crazy [co-located] model.³⁶⁸

4.39 Similarly, ASMOF pointed to 'risks to equity from the PPP model' that arise in the context of public waitlists for surgery, which are managed by a separate bookings and admissions team. Alleging that the hospital 'may be underutilising waiting lists to maximise profit', it stated:

Surgeons have been told that patients who fall within Category B or C urgency must wait out the minimum period before being given a date – however even when surgeons have the capacity public patients are still being made to wait unnecessarily. Surgeons are struggling to fill their lists as a result of this, and it has implications for continuity of care for doctors-in-training ... If patients face a wait ahead of them, they may be more likely to utilise private health insurance, maximising profit for the hospital.³⁶⁹

4.40 ASMOF suggested that this problem has arisen from poor planning, which has seen the hospital short of NSW State Weighted National Activity Units (which measure total hospital activity using a common unit for the purpose of activity based funding) to cover costs for public patients.³⁷⁰

³⁶⁶ Submission 44, Dr Elana Roseth, General Practitioner, pp 2-3.

³⁶⁷ Submission 121, Save Mona Vale Hospital Community Action Group, p 23.

³⁶⁸ Evidence, Mr Thomas, 26 August 2019, pp 30-31.

³⁶⁹ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 22.

³⁷⁰ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 22.

Healthscope perspective

- 4.41** Healthscope's submission readily acknowledged that under the deed it provides certain services to private patients that it does not to public patients:

Northern Beaches Hospital ... is a privately licensed hospital, which provides services to public patients up to 'level 5' (NSW Health role delineation). It also has capabilities beyond level 5, which are currently available to private patients.³⁷¹

- 4.42** Pressed as to what services a private patient at Northern Beaches Hospital can expect to receive that a public patient cannot, Mr Royle confirmed that under the deed, cardiothoracic services and neurosurgery above level 5 are restricted to private patients:

Northern Beaches does have some capabilities above level 5. At the present time those services are cardiothoracic—that is, open-heart surgery—and neurosurgery. At the present time, as we have been contracted to provide those public services to the level 5 role delineation they are not within scope. Nonetheless, we have that capability and we have specialists providing those services.³⁷²

- 4.43** Questioned by the committee, Dr Woods sought to clarify the provision of cardiac services to public and private patients, indicating that the Northern Beaches Hospital has a cardiac catheter laboratory, where coronary angiograms are undertaken 'for private and some public' patients. He emphasised that the facility did not exist for any patients prior to Northern Beaches Hospital, and advised that decisions as to where a public patient arriving by ambulance receives treatment (at Northern Beaches or Royal North Shore Hospital) are made according to an ambulance matrix:

[T]here are decisions made by the ambulance based on the ambulance matrix. The ambulance has currently been directed not to bring patients who appear to be having a heart attack to Northern Beaches. That is not part of the service that we were asked to provide. Nonetheless, some patients do attend—either of their own volition or where it is not apparent initially to the ambulance that they have a cardiac syndrome. Under those circumstances they are provided with care, including coronary angiography, at no cost as part of the contracted services.³⁷³

- 4.44** Challenged as to the logic of this arrangement when a patient living close to the Northern Beaches Hospital is having a heart attack but cannot receive emergency coronary care there, Mr Wood responded that, those patients 'go where they went before, which is Royal North Shore', and underscored that prior to the hospital's establishment, neither Mona Vale nor Manly were able to provide this kind of treatment. 'They have always gone to Royal North Shore; some of them now come to Northern Beaches', he stated.³⁷⁴ Asked whether it would have been desirable to have those services at Northern Beaches Hospital for all patients, Mr Wood commented, 'That continues to be a point of negotiation with the Ministry.'³⁷⁵

³⁷¹ Submission 119, Healthscope Ltd, p 7.

³⁷² Evidence, Mr Royle, 26 August 2019, p 23.

³⁷³ Evidence, Dr Woods, 26 August 2019, p 22.

³⁷⁴ Evidence, Mr Royle, 26 August 2019, p 22.

³⁷⁵ Evidence, Mr Royle, 26 August 2019, p 22.

4.45 Following the August hearing, Healthscope clarified the provision of coronary angiography services at Northern Beaches Hospital:

NBH is not contracted to provide coronary angiography services as part of its public hospital services at this time.

People requiring these services continue to receive them at Royal North Shore Hospital, where they were provided prior to NBH's opening. These services were not previously available at Manly or Mona Vale hospitals.

NBH has the capability to treat patients who present with cardiac symptoms and require urgent assistance. In the interests of patient safety and care, a number of public patients have undergone emergency coronary procedures at NBH, when it was deemed safer to offer the care at NBH than risk transfer.

As with all clinical matters, the NSW Ambulance Service has protocols, which guide them in transferring patients to the most appropriate facility.³⁷⁶

4.46 In November the committee asked Healthscope representatives whether coronary angiography services and thrombolytic treatment for stroke (discussed in detail in the next chapter) could be renegotiated under the deed. Mr Newton indicated that Healthscope was at that time in discussions about the former and was optimistic that an agreement would be reached:

We are currently in discussions with NSW Health with regards to [coronary angiography services]. That is progressing really quite well and we are all quite optimistic with discussions with NSW Ambulance, NSW Health and Northern Beaches Hospital that we will get a positive outcome with that one.³⁷⁷

4.47 Following the November hearing Healthscope further clarified:

Public inpatients at NBH who require urgent interventional cardiology (coronary angiography) services receive their treatment at NBH. If a patient presents to NBH, requires urgent interventional cardiology (coronary angiography) and it is not appropriate to transfer them to another hospital, treatment is provided at NBH. This is based on clinical need.

Healthscope has had discussions with the NSLHD in relation to extending coronary angiography services to public patients.³⁷⁸

4.48 The committee also asked Healthscope about the HSU's suggestion that staff were told to give hot breakfasts to private patients and cold breakfasts to public patients. Mr Stephen Gamenen, advised that 'There is a standardised system and public patients can request hot breakfasts as well.'³⁷⁹ Questioned as to whether public patients are advised that they can request a hot breakfast, he responded, 'All patients are reviewed by dieticians. It will depend on their diet—

³⁷⁶ Submission 119a, Healthscope Ltd, p 2; see also Evidence, Mr Andrew Newton, Chief Executive Officer, Northern Beaches Hospital, 5 November 2019, p 17.

³⁷⁷ Evidence, Mr Newton, 5 November 2019, p 27.

³⁷⁸ Answers to questions on notice, Healthscope Ltd, received 9 December 2019, p 4.

³⁷⁹ Evidence, Mr Stephen Gamenen, State Manager - Hospitals, NSW and ACT, Healthscope, 26 August 2019, p 18.

depend on the type of operation and treatment they have been receiving. So all of those things need to be reviewed but if it is appropriate and they request it, they can receive it.³⁸⁰

- 4.49** The committee asked hospital representatives how they ensure that public patients are not transferred inappropriately to other hospitals, with Dr Woods responding that, 'It is possible and necessary to refer some patients who have conditions that sit outside our role delineation', such as in regard to paediatric surgery, management of trauma, certain major surgical procedures such removal of a cancer of the oesophagus or a cancer of the pancreas.³⁸¹ He told the committee that together the hospital and the local health district actively monitor appropriate versus inappropriate transfers:

We have to distinguish between transfers that are occurring as a planned, accepted matter of course, but on the other hand that we are not unnecessarily transferring patients and that it may be, in some ways, a reflection of our inability to provide those services. That is regularly and actively monitored. It is a regular agenda item with the local health district and we are very happy with the way that that process is going.³⁸²

- 4.50** The committee was concerned that there might be instances in which patients are diverted to Royal North Shore Hospital, rather than being treated at Northern Beaches Hospital, because of cost implications. Asked whether there are such instances, Mr Spillane answered categorically, 'No, there are not.'³⁸³

- 4.51** Asked whether he is ever brought into discussions with doctors on the cost implications of procedures, Mr Spillane answered that he was, and gave an example:

That may happen in the case of a new medical technology that is not currently funded through the Commonwealth Protheses List. We may assess that on the ground of therapeutic benefits and advice from the clinician to support the purchase of that device at our own cost for selected patients. ... I can give you an example with a new device that is used to treat patients with chronic ear problems. There is a balloon that inflates and opens up the patient's Eustachian tube. We have provided that therapy to private patients at our own cost.³⁸⁴

- 4.52** The committee asked Dr Andy Ratchford, director of the hospital's emergency department, whether, in the context of a medical emergency, the decision about a patient's care is discussed with or ratified by the finance department. Dr Ratchford responded definitively:

No ... The finance department does not have any say in the care that we provide to our patients or the disposition of our patients. There are certain conditions at the hospital that we do not have the facilities to treat and those patients are often transferred to Royal North Shore Hospital. That would include, for instance, trauma patients and burn patients. We would not speak with the finance department before we arranged the appropriate transfer of those patients.³⁸⁵

³⁸⁰ Evidence, Mr Gameraen, 26 August 2019, p 18.

³⁸¹ Evidence, Dr Woods, 26 August 2019, pp 25-26.

³⁸² Evidence, Dr Woods, 26 August 2019, pp 25-26.

³⁸³ Evidence, Mr Spillane, 5 November 2019, p 19.

³⁸⁴ Evidence, Mr Spillane, 5 November 2019, p 19.

³⁸⁵ Evidence, Dr Andy Ratchford, Director, Emergency Department, Northern Beaches Hospital, 5 November 2019, pp 19-20.

- 4.53** The committee also took up the allegation in submissions that patients are being pressured to go into the private system when they arrive at the emergency department. This occurred at the August 2019 hearing, prior to the media article quoted in paragraph 4.34. Mr Spillane refuted the claim, insisting that Healthscope strictly complies with NSW Health policy in this respect:

No, that is not correct. Like every other public hospital in New South Wales we employ patient liaison officers in the emergency department. Their role is essentially a customer service function in accordance with Medicare principles—we all have the right to be either be treated as a public or private patient on election to any public hospital in New South Wales. Those patient liaison officers are there to inform patients of their choices and assist with the administration of their admission ... We strictly adhere to NSW Health policy with respect to the election of private patient or public patient status on admission to a hospital.³⁸⁶

- 4.54** In light of the allegations made in submissions, Mr Spillane undertook to review the hospital's literature to inform patients of their right to receive services under Medicare, and to check with the patient liaison staff 'to ensure that they are offering an information and customer service function.'³⁸⁷

- 4.55** The committee also took up with Healthscope representatives Dr Rogers' case in paragraph 4.35 of a patient with a surgical condition who after presenting at emergency was subsequently advised they could be operated that day in the private system or wait indefinitely on the public waiting list. Dr Ratchford reiterated the hospital's policy and responded that he was not aware of any such instance:

I just say that any patient who comes into the emergency department is a public patient and is treated as a public patient. If they require urgent treatment and that includes surgery, then that is provided to them as a public patient. They do have the choice to elect to use their private insurance, as I mentioned previously ... I am not aware of anyone being told that they would have to pay for treatment.³⁸⁸

- 4.56** Dr Ratchford undertook to look into this case, stating in the first instance, "That is certainly not standard practice in the emergency department."³⁸⁹

NSW Health perspective

- 4.57** Asked whether there is a two tier system for public and private patients at the hospital, in which preference and better care is given to private patients and inferior care to public patients, Ms Willcox strongly refuted this. She emphasised that the hospital is required to provide the same standard of care to its public patients as is required in the broader public hospital system, according to clinical need:

No, it is not a "two-tier system". The new Northern Beaches Hospital is a private hospital independently operated by Healthscope. Yes, I [as chief executive of the local health district] am purchasing public activity. It is required to provide a standard of care

³⁸⁶ Evidence, Mr Spillane, 26 August 2019, p 23.

³⁸⁷ Evidence, Mr Spillane, 26 August 2019, p 24.

³⁸⁸ Evidence, Dr Ratchford, 5 November 2019, p 25.

³⁸⁹ Evidence, Dr Ratchford, 5 November 2019, p 25.

at the same level as public patients currently receive in the health system. There is a raft of new services available to the community that were not previously available. The staff will be caring for those patients according to their clinical need, ascribing those same values that they ascribed when they were working at Manly and Mona Vale hospitals.³⁹⁰

- 4.58** Dr Lyons reinforced this point. He advised that NSW Health had actively addressed with Healthscope the problems occurring in the early days of the hospital, and underscored that the hospital's requirement to provide the same standard of care to public patients as any other public hospitals is monitored rigorously by the LHD:

We have contracted this operator to provide public care at the same level as we would expect for any public hospital in New South Wales. We have very rigorous processes of assessing the performance of the operator. We have taken a position that, yes, there will be some issues with commissioning a new hospital— and those emerged, as we have heard. We worked very closely with the operator to make sure that those were addressed ... From our position it is clearly about ensuring that the public services that are provided are of the highest quality and are delivered effectively at a level that is consistent with public hospitals across the rest of New South Wales.³⁹¹

- 4.59** Asked whether she was aware of private patients being provided with hot breakfasts, but not public, Ms Willcox responded that as the contract manager she was not directly aware of this operational matter for which Healthscope is responsible, but indicated that she 'would be concerned if there were major differences between public and private patients.'³⁹² She again noted that the community had benefited from the expanded range of services available at the hospital compared with Mona Vale and Manly, and that many of the same staff are providing that care.³⁹³

- 4.60** In respect of differential access to cardiology services, NSW Health advised the committee of those services that are in the deed:

Northern Beaches Hospital is delivering a Level 5 Cardiology Service, as defined in the NSW Health Guide to the Role Delineation of Clinical Services, and includes diagnostic angiography (assessment of heart vessels).

This covers the management of acute and chronic heart disease, including acute coronary syndromes, rhythm disturbances, valvular heart disease and heart failure. As part of this, Northern Beaches Hospital must provide:

- an Emergency Department to treat acute and chronic cardiac conditions;
- a coronary care unit; and
- a diagnostic angiography service;
- transthoracic and transeosophageal echocardiography, stress testing, Inpatient elective cardioversion services as well as Inpatient telemetry beds.³⁹⁴

- 4.61** With regard to the steps that the LHD is taking to monitor and ensure that all patients requiring acute coronary care receive it in a timely way, NSW Health advised the committee:

³⁹⁰ Evidence, Ms Willcox, 26 August 2019, p 5.

³⁹¹ Evidence, Dr Lyons, 26 August 2019, p 5.

³⁹² Evidence, Ms Willcox, 26 August 2019, p 5.

³⁹³ Evidence, Ms Willcox, 26 August 2019, p 5.

³⁹⁴ Answers to questions on notice, NSW Health, received 6 December 2019, p 4.

The Northern Sydney Local Health District monitors the treatment of emergency presentations (including patients requiring acute coronary care), principally through daily reporting of emergency presentations and real-time ambulance arrivals.

Northern Sydney Local Health District also monitors the quality of care for patients outside of the Emergency Department through a range of clinical indicators, including the reporting of all adverse event and the rate of patients requiring unplanned re-admission to intensive care.³⁹⁵

- 4.62** At the November hearing Ms Willcox responded to the committee's questions about how soon coronary angiography services will be available at Northern Beaches Hospital by advising that this should be up and running in early 2020:

I will answer your question in terms of timing. We have created a workshop group, chaired by the ministry. The provision of ST-segment elevation myocardial infarction [STEMI] services requires ambulances, the Agency for Clinical Innovation, the hospital and the clinicians. It is a very complex and detailed model of care. It will enable, in the case of a person who has chest pain, the ambulance to communicate their electrocardiogram directly to the emergency department to be interpreted to see if that person is a candidate for the STEMI service. As you can tell by my very brief lay description, it is a fairly complex area of care. That group has been meeting. We may have a slight hiatus because of Christmas. In terms of starting a service, we are hopeful that we will have it up and running early in the New Year.³⁹⁶

- 4.63** Beyond coronary angiography, the committee also asked NSW Health whether negotiations are taking place to extend other coronary services to public patients. NSW Health confirmed that these negotiations are underway, and that it expects further services to be available in early 2020.³⁹⁷

- 4.64** Asked how, in practical terms, the LHD is ensuring that there is no inequity of access for public patients in respect of any care, NSW Health responded:

Northern Beaches Hospital is required to honour and observe the principles and commitments set out in the National Healthcare Agreement 2012, including as to a person's right to choose to be treated as a public patient.

Northern Beaches Hospital must provide appropriate clinical treatment for all people who present at, or who are referred to the facility, irrespective of financial status and otherwise treat all public patients who present at the facility with a condition which is consistent with the service specifications and the role delineation.

Northern Sydney Local Health District has a strong and collaborative relationship with Northern Beaches Hospital to ensure that these obligations are fulfilled, and further, to ensure the safe and effective transfer of any patient whose condition requires treatment that cannot be provided from the facility.³⁹⁸

³⁹⁵ Answers to questions on notice, NSW Health, received 6 December 2019, p 4

³⁹⁶ Evidence, Ms Willcox, 5 November 2019, p 35.

³⁹⁷ Answers to questions on notice, NSW Health, received 6 December 2019, p 4.

³⁹⁸ Answers to questions on notice, NSW Health, received 6 December 2019, pp 4-5.

Reduced free services and new out of pocket costs

- 4.65 Very closely related to, and sometimes overlapping with, the perception of a two tier system that unfairly differentiates between public and private patients or pressures public patients to 'go private', were widespread concerns about the reduction of free services with the advent of the hospital, and concomitant out of pocket patient costs.

Community and other perspectives

- 4.66 Numerous inquiry participants reported reductions in free services in the area since the closure of Manly and Mona Vale Hospitals and the opening of Northern Beaches Hospital, with the effect that demand has increased at Royal North Shore Hospital, or that patients face out of pocket costs that they never had before. The impact on Royal North Shore is discussed in detail in the following chapter.
- 4.67 General practitioner Dr Caroline Rogers highlighted the financial vulnerability of many of her patients despite the perceived affluence of the Northern Beaches area, and proposed that the Northern Beaches Hospital is contributing to patients' financial difficulties:

I am here because public health care matters to my patients. It is easy to assume because we are on the Northern Beaches and we have got big houses and fancy cars that patients can afford to pay a bit more for their health care and that does not matter. I am here today to tell you that is not the case, that every day I come across patients who are struggling to pay out-of-pocket costs for X-rays, for prescription medications, for specialist fees and that is affecting their health care. I have referred more patients to the Foodbank in the last six months than I did in the previous six years. The Northern Beaches Hospital is exacerbating this problem. Patients are frequently told that they have no option but to access care in the private system, that the public facility does not exist and they are paying for that.³⁹⁹

- 4.68 Dr Rogers further spoke of patients 'who believe that they are being treated as public patients, both in the hospital and in the GP clinic attached, being sent bills for hundreds of dollars after their discharge for pathology services.⁴⁰⁰ Asked about recent reports in respect of pathology bills, she indicated that her understanding was that this has now been resolved if a person is admitted as a public patient.⁴⁰¹
- 4.69 These concerns were echoed by the Sydney North Health Network, whose role is to increase the efficiency and effectiveness of medical services in the community and whose membership comprises a range of health professionals including GPs, allied health providers and primary health nurses. It advised the committee that many of its GP members voiced strong concerns about new out of pocket costs:

Despite the relatively high rates of private health insurance in the region, GPs report frustration in the inability to access public services. *"We live in a suburb where majority of residents are elderly, immigrants, pensioners, carers or lower income earners most [of whom are] unable to pay for the medical treatments/follow ups of private medical care. We need to be able to refer these*

³⁹⁹ Evidence, Dr Rogers, 23 September 2019, p 10

⁴⁰⁰ Submission 1, Dr Caroline Rogers, p 1.

⁴⁰¹ Evidence, Dr Rogers, 26 August 2019, p 18.

patients to somewhere for their specialised care. We are in absolute darkness since Manly and Mona Vale Hospital have closed."

Others have reported "bill shock" from patients, who were under the impression that all of their care was being provided publicly. Examples included receiving bills for pathology or imaging, despite being admitted as public patients, through to one instance of "consent" being sought from a patient admitted to a mental health ward, who in the GPs opinion, did not have legal capacity to have made informed consent at the time.⁴⁰²

- 4.70** The Nurses and Midwives' Association referred to media reports suggesting that local GPs were actively referring patients to RNSH at least in part to reduce out of pocket expenses for such patients that might be incurred at the Northern Beaches Hospital.⁴⁰³ On 10 April 2019 the *Manly Daily* reported:

Patients are being forced to pay hundreds or even thousands of dollars to gain access to public healthcare at the Northern Beaches Hospital which was previously free.

A number of GPs have come forward to say they believe patients are getting a poorer service at NBH.

Their concerns include:

- Patients being forced to pay private specialists to access some outpatient clinics;
- The loss of public cardiology and neurology outpatient clinics GPs can refer to;
- Reports that the public paediatric clinic is already at capacity.⁴⁰⁴

- 4.71** Mr Thomas told the committee that the Save Mona Vale Hospital Community Action Group commonly hears of patients who previously received services for free at Mona Vale or Manly Hospitals now having to pay for them:

We get quite a bit of feedback from people who typically have had regular procedures at Mona Vale or Manly ... "I have had these procedures for years on a regular basis. They cost me nothing. I now go up there; I've got to pay for it." One gentleman had to have, I think, colonoscopies. He would schedule a colonoscopy regularly and now he has to wait for six months, where he used to have to book it for four weeks. These things keep arising ... I do not think that the public patients should be out of pocket for services they were not out of pocket for in the public system.⁴⁰⁵

- 4.72** The committee also heard directly from community members attesting to new out of pocket costs. One individual stated that he has an enlarged aorta so has been advised to attend annual check ups. Although he obtained the service at no charge at Mona Vale, he now anticipates paying \$500 at Northern Beaches Hospital.⁴⁰⁶

⁴⁰² Submission 112, Sydney North Health Network, p 8. Italics in original.

⁴⁰³ 'GPs anger at patients out of pocket expenses', *Manly Daily*, 10 April 2019, p 8, cited in Submission 200, NSW Nurses and Midwives' Association, p 35.

⁴⁰⁴ 'GPs anger at patients out of pocket expenses', *Manly Daily*, 10 April 2019, p 8.

⁴⁰⁵ Evidence, Mr Thomas, 26 August 2019, p 37.

⁴⁰⁶ Submission 145, Name suppressed, p 1.

- 4.73** Another community member whose partner recently gave birth as a public patient recounted that when they needed blood tests during their antenatal visits they were sent across the hall to a private pathology company that charged them at the time, and again later:

I had to pay up front just under two hundred dollars for the blood tests I speak of and I had the receptionist working there ring through to the head office to get a quote for the tests and I paid up front. Sometime later I received a surprise extra bill off that company for a further amount taking the total over \$350. I had to go and complain to have the extra charge reversed. I wonder if a less financially literate individual would have just accepted their fee increase and paid it.⁴⁰⁷

- 4.74** Based on his experience, this individual commented that, "There seems to me to be a big financial incentive to minimise the provision of care through the public system and push it into the private companies working within the hospital."⁴⁰⁸

- 4.75** Similarly, a parent told the committee of pathology costs for a child that she was not able to afford, as well as difficulty accessing free paediatric outpatient services (discussed in the next section):

We were advised by the local doctor to visit the hospital emergency for my son, to run some tests as he had been sick for a couple of weeks. We waited in ED and eventually saw a doctor, we were advised if we required public health assistance we should have brought a referral for a public paediatric doctor. We were given a script to perform a blood test and we could come back if we wanted with a referral. We went home and did the blood test the next day, at Hanley Moir. The results were not sent to our doctor. Additionally we were invoiced for the blood test, over \$300, because the request form was from a private practitioner at the hospital. We didn't have the money available to pay the invoice and Hanley Moir graciously waived the fee because we were not informed we would be charged for the blood test. The staff were lovely at the hospital however next time we will go to Royal North Shore as we don't know how much visiting Northern Beaches Hospital will cost us for any visits.⁴⁰⁹

- 4.76** Another individual stated that when her husband attended the Northern Beaches emergency department in January 2019, she witnessed a man seeking assistance for his wife, who had severe stomach pain, but was turned away because he could not pay:

The receptionist behind the counter informed him that he would need to make a payment of \$500 for his wife to be seen by a doctor as he did not have a Medicare card (he was on a type of visa). He informed the receptionist that even though he did not have a Medicare care he had full access to the public health system due to his visa type. Both him and his wife had received treatment previously at Manly Hospital including an operation. The receptionist informed him that NBH was a private hospital so he would have to pay \$500. He insisted he was a public patient and could not afford the \$500 fee. When we left they were in the process of getting his wife as they had told him he would need to drive her to Royal North Shore. It was my understanding as a local resident that all public patients would be treated at NBH however it was clear on this

⁴⁰⁷ Submission 207, Name suppressed, pp 2-3.

⁴⁰⁸ Submission 207, Name suppressed, p 2.

⁴⁰⁹ Submission 118, Name suppressed, p 14.

occasion that is not the case and a public patient in need of medical attention was turned away.⁴¹⁰

Public outpatient clinics

- 4.77** Both Dr Rogers and Dr Roseth highlighted the loss of public outpatient clinics. They reported that prior to Mona Vale's closure the area already lacked outpatient services in gastroenterology, ophthalmology and orthopaedics, which many had hoped would be provided with the new hospital. Instead, they have now also lost cardiology and neurology clinics, and the paediatric clinic is limited to extremely sick or socially disadvantaged children. Consequently, all patients who previously accessed public outpatient services, including patients discharged from the Northern Beaches Hospital, have no option but to be referred to private specialists.⁴¹¹ Dr Roseth noted that many patients find the costs of private specialists prohibitive, or their GP must request in their referral that the patient be bulk billed.⁴¹² A local parent highlighted this issue in their submission:

One of my 8 year old twins has been diagnosed with ADD and learning disabilities. His doctor was located at Mona Vale hospital and we were able to see her monthly to treat and track his progress. We have decided to medicate and have been very happy with the progress he has made. I recently tried to make an appointment with our doctor to discuss my sons weight loss and refer to a craniofacial specialist only to be told that the wait time for a public appointment is now 7 months and I can't get in until February as a public patient ... I do not have the means to pay for the appointments as I already pay for all his therapies, speech, learning support and medication with very little back from Medicare.⁴¹³

- 4.78** Dr Rogers spoke of the poor provision for outpatient services at the hospital in terms of informed financial consent and the critical importance of patient choice:

Informed financial consent is a big issue in health care. I do not think the Northern Beaches Hospital is alone in this. The difference is that patients thought they were going into a public health facility that had taken over from Mona Vale and Manly and it has turned out not to be the case. The issue of the outpatient clinics is especially pertinent because, while I have no argument with people choosing to pay to see private specialists, the choice there is absolutely key. And if we are not offering patients a choice, if we are saying, "The only way you can see a specialist is to pay and see them privately", then we are not providing a comprehensive public health system ... I have had several meetings with the Northern Beaches Hospital and, to my knowledge, there is no plans for them to open any additional outpatient facilities there.⁴¹⁴

- 4.79** Noting that most oncology clinicians' work is with outpatients, Dr Jonathan Page indicated that the poor provision for an oncology outpatient clinic at the hospital, resulting in very poor physical design, was a key factor in many of his colleagues' decision not to work at the Northern

⁴¹⁰ Submission 182, Name suppressed, p 1.

⁴¹¹ Submission 44, Dr Elana Roseth, p 1; Evidence, Dr Roseth, 23 September 2019, pp 10 and 18-19; Submission 1, Dr Caroline Rogers, p 1; Evidence, Dr Rogers, 23 September 2019, pp 13 and 18-19.

⁴¹² Evidence, Dr Roseth, 23 September 2019, p 10.

⁴¹³ Submission 96, Name suppressed, p 1.

⁴¹⁴ Evidence, Dr Rogers, 23 September 2019, p 18.

Beaches Hospital. He told the committee that the oncology problems were compounded by the fact that there was no hospital palliative care service nor haematology service.⁴¹⁵

4.80 Dr Page indicated to the committee his understanding 'that Healthscope did not receive a budget for outpatient care and perhaps therefore they were less attentive' to it.⁴¹⁶ He further commented, 'I've heard that the outpatient service and its budget are a source of contention between Healthscope and the LHD ... – if so then many are suffering as a consequence.'⁴¹⁷

4.81 Dr Page elaborated on how oncology is very different from other hospital care such that it does not sit well within the current Northern Beaches Hospital system, and called for an independent review of the department:

With oncology, I think it has its own specific issues because it is an outpatient clinic whereas many of the other departments, like surgery, the surgeons see patients often in their private rooms and there are private rooms in the hospital or elsewhere. The way oncology has evolved, not only in Manly but throughout the city and in the country, is quite different. It is often a public system because it is complex and the gap cost to the patient can be quite extraordinary. I think the department needs to be reviewed. One thing they could do would be to get a senior person, say from Liverpool, to come over and comment.⁴¹⁸

4.82 These individual clinician and community concerns about inadequate outpatient services were backed up by the Sydney North Health Network, which reported that access to public outpatient clinics was 'another major theme' in feedback from GPs. It highlighted the absence of cardiology, neurology, gastroenterology and respiratory clinics and advised the committee that the only public clinics available for direct GP referral are antenatal, gynaecology, oncology, paediatrics (for very chronic and complex conditions only) and osteoporosis refracture prevention. Public access to all other clinics is available only via presentation to the emergency department or by specialist referral after admission as an inpatient.⁴¹⁹

4.83 The Network then challenged the use of the emergency department in this way as an inappropriate use of limited resources, noting that most international health systems are focussing on ways to keep people out of hospital unnecessarily. Highlighting that a lack of investment in outpatient care works against broader work in the health system to improve outpatient and community based care, it reported general practitioner comments about the loss of clinical pathways that were previously established with Manly and Mona Vale. These comments included, 'We have spent years developing hospital avoidance pathways – now all wasted!'⁴²⁰ The network further indicated that some GPs' attempts to refer directly to Royal North Shore Hospital public outpatient clinics have been refused on the basis that the patients are 'out of area' despite there being no direct, GP accessible equivalent at Northern Beaches Hospital.⁴²¹

⁴¹⁵ Evidence, Dr Jonathan Page, Medical Oncologist, 5 November 2019, pp 2-3; p 4.

⁴¹⁶ Submission 233, Dr Jonathan Page, p 2.

⁴¹⁷ Submission 233, Dr Jonathan Page, p 2.

⁴¹⁸ Evidence, Dr Page, 5 November 2019, p 11.

⁴¹⁹ Submission 112, Sydney North Health Network, p 5.

⁴²⁰ Submission 112, Sydney North Health Network, p 5.

⁴²¹ Submission 112, Sydney North Health Network, p 8.

- 4.84** Placing these problems within the much broader context of the challenges of the health system, the Network suggested that the purchasing model for the Northern Beaches Hospital, which rewards acute care, is a key contributor:

SNHN recognises that there is a universal challenge within the Australian Health System where volume of services is financially rewarded over quality and value. SNHN is keen to work with NBH, NSLHD and other partners to develop innovative models of care that support delivery of care within the community and provide better value for the health system, such as specialist outreach in primary care, however progress on this has been slow. Potential reasons for this include the contractual agreement between NBH and NSW Health and the funding drivers that favour provision of services in the acute setting.⁴²²

- 4.85** Sydney North Health Network thus recommended the reinstatement of access to previously available public specialist clinics, with a priority on cardiology and neurology.⁴²³

Healthscope perspective

- 4.86** In light of stakeholder views on the reduced availability of free outpatient services in the area since the opening of the hospital, the committee asked Healthscope representatives whether the deed required Healthscope to provide the services that were available at no charge to public patients at Mona Vale and Manly hospitals for free at the Northern Beaches Hospital. Dr Woods responded that the contact was not expressed in those terms but did require a range of outpatient services, which are being delivered for free. He addressed the concern among some local community members that some publicly funded outpatient services have been discontinued, indicating that some services at Mona Vale were in fact provided privately by clinicians and bulk billed, and these did not form part of the hospital deed:

Essentially, Healthscope has provided those services that it has been contracted to provide. I have read in the submissions that concern had arisen around a number of services which were thought by the local community to be publicly funded outpatient services that previously existed ... In fact, what we have learnt is that there were some services which were provided on a bulk billing, private, fee for service basis by independent doctors based at those hospitals to the community and to referring general practitioners. It looked like these were publicly funded outpatient services. They were not, and they did not form part of the contract that we have been asked to fill.⁴²⁴

- 4.87** Later Healthscope underscored to the committee that, 'the current public outpatient clinics provided are ... defined by the Deed. In most cases, the services are designed to align and support inpatient service [that is] to provide appropriate follow up of inpatients or preadmission management such as antenatal clinics.' It then stated that, 'Healthscope supports the LHD's right to plan outpatient services strategically across the District and notes its decision to leave some of these at Mona Vale.'⁴²⁵

⁴²² Submission 112, Sydney North Health Network, p 5.

⁴²³ Submission 112, Sydney North Health Network, p 5.

⁴²⁴ Evidence, Dr Woods, 26 August 2019, p 21.

⁴²⁵ Submission 119a, Healthscope Ltd, p 1.

- 4.88** At the November hearing the committee asked Healthscope representatives whether outpatient services had been taken up with NSW Health as an aspect of the deed to be renegotiated. Mr Newton and Mr Gameraen confirmed that discussions about the provision of outpatient services had taken place.⁴²⁶ Asked about the capacity under the deed for the hospital to take on additional outpatient services, Healthscope responded:

Before each operating year commences, the government provides Healthscope with an Annual Notice for the pending operating year, which sets out the type and volume of services (including outpatient services) that will be purchased in the operating year.

Healthscope may also provide additional services upon the request of the State.⁴²⁷

- 4.89** In respect of the oncology department's outpatient clinic, Mr Gameraen acknowledged the concerns of oncologists and indicated that from Healthscope's perspective an arrangement had been found:

When we came into the role and talked with the oncology group, obviously they had concerns ... One of them was space requirements and I think roughly 25 yards away from the outpatient clinical delivery area there is an outpatients area. The oncologists and haematologists have four rooms dedicated now for their use, depending on—obviously, they are not dedicated to each doctor. They are shared between the groups when they consult. They are not there sort of eight hours a day, five, six or seven days a week. When they are using it is one or two days a week, they are available for the oncologists and haematologists to use only.⁴²⁸

NSW Health perspective

- 4.90** Challenged as to whether the purchasing arrangements in respect of Northern Beaches Hospital allow public patients to be charged out of pocket costs, Dr Lyons was clear that for inpatient services, public patients are 'guaranteed' not to have out of pocket costs, including for pathology services:

For public patients who are being treated and services that we are contracting the provider to provide, they are guaranteed to be with no out of pocket costs, so people can access that care as they would in any other public hospital ... For a public inpatient, there would be no costs for the patient.⁴²⁹

- 4.91** Later questioned as to how it is ensuring that out of pocket costs to public patients are limited, NSW Health confirmed that while inpatient services are not charged, other patient services may incur out of pocket costs:

Public patients requiring in-hospital (admitted) care at Northern Beaches Hospital do not incur any out of pocket charges.

Consistent with practice across NSW, a range of non-admitted services such as private specialist, private imaging and private pathology may incur out of pocket expenses, and

⁴²⁶ Evidence, Mr Newton and Mr Gameraen, 5 November 2019, p 27.

⁴²⁷ Answers to questions on notice, Healthscope Ltd, received 9 December 2019, p 3.

⁴²⁸ Evidence, Mr Gameraen, 5 November 2019, p 26.

⁴²⁹ Evidence, Dr Lyons, 26 August 2019, p 10.

providers are required to gain informed financial consent before these services being provided.⁴³⁰

4.92 In August the committee asked NSW Health whether it was aware that the company Clinical Labs had been sending invoices to patients rather than private health insurers arising from poor communications from the Northern Beaches Hospital. The Ministry responded that it was, and noted Healthscope's advice that the billing errors had resulted from the hospital's patient administration system and pathology system interface not updating as frequently as needed. It further advised that the issue has been resolved and this error should not occur again. NSW Health stated that if any patients are concerned about incorrect invoices, they can contact the hospital directly.⁴³¹ In December it confirmed that the issues had been rectified.⁴³²

4.93 Asked whether there are no longer public neurology and cardiology clinics at the hospital, NSW Health responded:

Northern Beaches Hospital advises NSW Health that general practitioners may refer patients to specialist cardiologists (Northern Cardiology) located in rooms at Northern Beaches Hospital and patients may be bulk-billed at a general practitioner's request, at the discretion of the specialist cardiologist.

Northern Beaches Hospital advises NSW Health that general practitioners may refer patients to specialist neurologists at Northern Beaches Hospital and patients may be bulk-billed at a general practitioner's request. Outpatient neurology clinics are available after presentation to the Emergency Department or following inpatient admission.⁴³³

4.94 At the November hearing the committee also sought information from NSW Health on what negotiations were taking place over enhancements to outpatient services. Ms Willcox responded that 'this is very much an iterative process in terms of reviewing the nature of the activity that is required and how we actually factor that in. That will evolve over time.' She indicated that at the present time a number of clinics are currently operating at Northern Beaches Hospital, as per the deed, and some of these are providing more than was available at Manly and Mona Vale. She then suggested that 'These clinics do not all take on the appearance of what they did at Manly and Mona Vale. Some of the clinics will be in doctors' suites because of the nature of the set up' in the new hospital.⁴³⁴

4.95 Ms Willcox advised the committee that some of the clinics available at the new Northern Beaches Hospital that were not available at Manly and Mona Vale include a neonatal clinic, a nurse led stoma clinic, a respiratory laboratory, diagnostic liver services, the radiation oncology clinic, and the onsite GP clinic. She stated, 'Yes, we do have some work to do around the evolution around developing the clinics. But I think it is important to acknowledge that there are some additional services available that were not previously available at Manly and Mona Vale'.⁴³⁵

⁴³⁰ Answers to questions on notice, NSW Health, received 6 December 2019, p 5.

⁴³¹ Answers to questions on notice, NSW Health, received 20 September 2019, pp 6-7.

⁴³² Answers to questions on notice, NSW Health, received 20 September 2019, p 5.

⁴³³ Answers to questions on notice, NSW Health, received 20 September 2019, p 1.

⁴³⁴ Evidence, Ms Willcox, 5 November 2019, p 35.

⁴³⁵ Evidence, Ms Willcox, 5 November 2019, p 35.

- 4.96** Following the hearing, specifically with regard to outpatient services, NSW Health informed the committee:

Outpatient services mirror what was provided at Manly and Mona Vale hospitals and are required to be provided in accordance with the Services Specifications listed under Schedule 14 of the Project Deed.

For specialist services not part of the Services Specifications, initial consultations may be bulk billed, or there may be out-of-pocket costs for patients, depending on an individual specialist's fee structure.

Public patients who have received inpatient care at the hospital are not charged for follow-up consultations at the hospital or in the specialist's rooms.

Northern Sydney Local Health District is continuing to work closely with Northern Beaches Hospital to ensure that the clinical needs of the community are fully met, including through the availability of outpatient services.⁴³⁶

A third tier for country patients?

- 4.97** Another concern that emerged during the inquiry was that not only was the Northern Beaches Hospital perceived to be operating as a two tier system with preference for private patients, it was potentially operating with country patients relegated to a third tier. It is accepted practice in the public hospital system that country patients may access care unavailable in their local area in metropolitan hospitals.
- 4.98** Dr Allan Forrest, a career ear nose and throat surgeon employed for many years in the public system – including at Mona Vale Hospital for the eight years prior to its closure – as well as at private hospitals, brought this possibility to the committee's attention. For the last several years of his practice at Mona Vale, he had been bringing in patients from Armidale and Tamworth for surgery without issue. However, he told the committee of his 'shabby treatment' as a prospective employee of Northern Beaches Hospital not being offered a position by Healthscope despite a long and credited career. Dr Forrest said that on one occasion a Healthscope official expressed reservations about his public hospital waiting list, and on another his non-appointment was directly attributed to his public waiting list, about 40 per cent of which was country patients.⁴³⁷
- 4.99** While he still visits Tamworth and provides surgery in the private system, Dr Forrest told the committee that he no longer has a role in the public system. As a result, apart from an Indigenous health clinic, there are now no public ear nose and throat services provided in Tamworth.⁴³⁸

⁴³⁶ Answers to questions on notice, NSW Health, received 6 December 2019, p 8.

⁴³⁷ Evidence, Dr Allan Forrest, Ear, Nose and Throat Surgeon, 5 November 2019, p 12.

⁴³⁸ Evidence, Dr Forrest, 5 November 2019, pp 14-15.

Healthscope perspective

- 4.100** Mr Gameraen refuted Dr Forrest's allegations, stating that his public list was not a factor in the decision not to employ him. In addition, when asked if he was aware of any rural patient who has applied for admission to the Northern Beaches Hospital who has been denied, he said that he was not aware of any.⁴³⁹ Asked by the committee whether private patients do not get preference over public patients or country patients, Mr Gameraen responded, 'Absolutely not.'⁴⁴⁰

NSW Health perspective

- 4.101** The committee took up this issue with NSW Health representatives, asking whether the Northern Beaches Hospital is creating a third tier of service for country patients. Ms Susan Pearce, Deputy Secretary, Patient Experience and System Performance, responded with concern but insisted that there is data to indicate that NBH is providing services to patients outside its catchment area:

Of course, any such notion would be concerning to us. However, what we do know about the Northern Beaches Hospital and other hospitals, in fact, in the metropolitan area of Sydney is that there is a fairly strong inflow from rural hospitals when needed for people that do need a higher level of service. The Northern Beaches Hospital, I believe, is receiving patients from outside of the northern beaches catchment, as did Manly and Mona Vale. So there is no questioning the data: There are patients coming to Northern Beaches Hospital ... from outside of the catchment of the northern beaches.⁴⁴¹

- 4.102** In response to the committee's request for data on such patients, NSW Health indicated that from October 2018 to September 2019, 373 patients with a residential address outside Sydney were admitted to Northern Beaches Hospital. It further advised that the rate of patients attending the hospital who reside outside Sydney 'is closely aligned with the rate previously observed at Manly and Mona Vale Hospitals'.⁴⁴²

Public maternity services

- 4.103** A further specific area of concern among some inquiry participants was the provision of public maternity services at the Northern Beaches Hospital. Aspects of this issue reflect concerns documented in other parts of this chapter.
- 4.104** The Friends of Northern Beaches Maternity Services advised the committee that public maternity services have a different model of service to private: public are led by midwives, while private are led by obstetricians. In addition, under the public model of midwife group practice, women are afforded continuity of care with a known midwife throughout pregnancy, birth and postnatally. The group noted that there is clear evidence as to the benefits of midwife group practice in terms of reduced interventions, reduced risk of premature birth, reduced neonatal

⁴³⁹ Evidence, Mr Gameraen, 5 November 2019, pp 18-19.

⁴⁴⁰ Evidence, Mr Gameraen, 5 November 2019, p 18.

⁴⁴¹ Evidence, Ms Susan Pearce, Deputy Secretary, Patient Experience and System Performance, NSW Health, 5 November 2019, p 34.

⁴⁴² Answers to questions on notice, NSW Health, received 6 December 2019, p 1.

death, greater maternal satisfaction, and associated cost savings, also citing a Cochrane review which concluded that 'most women should be offered midwife-led continuity models of care.'⁴⁴³ Mrs Helena Mooney, Co-founder, summarised their concerns for public maternity services at the Northern Beaches Hospital:

It is really important that you understand that with maternity services, private maternity care is very different to public maternity care. Private maternity care is obstetrician led with a high intervention rate. Public maternity care is largely midwife led with low intervention rates. The fact that we are having a public maternity service being run by a private hospital is really concerning for us. Healthscope have one of the highest intervention rates in the State. Just to give you a context, there are studies showing that a first-time healthy mum has a 20 per cent increased risk of ending up with intervention purely by going into a private hospital.⁴⁴⁴

4.105 The Friends of Northern Beaches Maternity Services further noted that while the NSW Health target for the number of women to receive midwife group practice care is 35 per cent, as of July 2019 the Northern Beaches Hospital had only 6.5 full time equivalent midwife group practice midwives, equating to approximately 14 per cent of women birthing through the public system there. It proposed that by not expanding the number of midwife group practice midwives, 'the only way that the majority of women will have access to continuity of a carer is through private obstetrics' and contended that this is a deliberate strategy on the part of Healthscope, 'Making women choose to go private and not public.'⁴⁴⁵

4.106 Mrs Mooney reported that her group's primary fear is that the private obstetric model will transfer into the public system at the Northern Beaches Hospital, going on to affect birth outcomes. The Friends of Northern Beaches Maternity Services submission reported informally collected evidence from midwives at the hospital:

Based on personal statistics being collated by midwives at the hospital, we have been informed that, so far in 2019, there is a:

- 37% caesarean section rate for public women – an increase from 29.8% at Manly and 29% at Mona Vale.
- 44% normal birth rate for public women – a decrease from 52% at Manly and 56.8% at Mona Vale.

Such a significant change is deeply concerning so soon after the hospital's opening. More needs to be done to ensure the safety and quality of care women receive is not compromised due to a private operator providing public maternity care.⁴⁴⁶

4.107 Mr Brett Holmes, General Secretary of the Nurses and Midwives' Association and Branch Secretary, Australian Nursing and Midwifery Federation NSW, confirmed that his union's midwife members were reporting a shift away from midwife-led care on the Northern Beaches, with concomitant higher rates of medical intervention in births:

⁴⁴³ Submission 170, Friends of Northern Beaches Maternity Services, pp 7-8.

⁴⁴⁴ Evidence, Mrs Helena Mooney, Co-founder, Friends of Northern Beaches Maternity Services, 23 September 2019, p 31.

⁴⁴⁵ Submission 170, Friends of Northern Beaches Maternity Services, p 8; Evidence, Mrs Mooney, 26 August 2019, p 33.

⁴⁴⁶ Submission 170, Friends of Northern Beaches Maternity Services, pp 9-10.

My understanding from my midwife members is that they are concerned that the model of care has shifted from being a midwifery model of care to an obstetric model of care, which means that the obstetricians or the medical staff are making the decisions about things like discharges and the care. They also believe that they are seeing an increase in the caesarean rate and interventions. Obviously 10 months is a fairly short period but that is the ... feeling of the midwives who are responding to us.⁴⁴⁷

- 4.108** The Friends of Northern Beaches Maternity Services further stated, 'Healthscope has no experience of public maternity services' and so designed the rooms and wards based on their private models of care.⁴⁴⁸ As examples of poor design, it pointed to the presence of only three birthing pools, as well as insufficient antenatal clinic rooms to cater to the number of women attending the hospital, and the high risk and diabetes clinics having to share the same space as regular outpatient clinics. The group also called for a dedicated antenatal day assessment clinic be established to deal with demand for these services.⁴⁴⁹
- 4.109** The Friends of Northern Beaches Maternity Services argued that the 'failure to provide appropriate choices in public maternity care' had resulted in women choosing to go out of area to access continuity of midwife care. As is explored in more detail in the final chapter of this report, the group argued that this failure has resulted from a lack of meaningful consumer engagement and is 'exacerbated by legitimate concerns surrounding the standard of care due to operational issues, including staffing levels.'⁴⁵⁰

Healthscope perspective

- 4.110** Healthscope advised the committee that while it does not provide public maternity services at any other hospital, it provides a wide range of maternity services nationally, with an estimated 18 or 19 per cent of all babies born in Australia born in a Healthscope hospital.⁴⁵¹

NSW Health perspective

- 4.111** The committee sought information from NSW Health in respect of maternity services at the hospital, who advised:

The Northern Beaches Hospital Birthing Model ensures collaborative practice, so that all low risk women have pregnancy care with midwives. The midwives work under the midwifery consultation and referral guidelines, consulting and referring to obstetrician colleagues where indicated.

Based on available data, in 2018 Northern Beaches Hospital had lower rates of induction of labour, higher rates of instrumental delivery and caesarean section, and

⁴⁴⁷ Evidence, Mr Brett Holmes, General Secretary, NSW Nurses and Midwives' Association and Branch Secretary, Australian Nursing and Midwifery Federation NSW, 26 August 2019, p 64.

⁴⁴⁸ Submission 170, Friends of Northern Beaches Maternity Services, pp 4-5.

⁴⁴⁹ Submission 170, Friends of Northern Beaches Maternity Services, p 4.

⁴⁵⁰ Submission 170, Friends of Northern Beaches Maternity Services, p 6.

⁴⁵¹ Evidence, Mr Gameren, 26 August 2019, p 26.

similar rates of pain relief using epidural-spinal analgesia, compared to hospitals in the same peer group and public hospitals overall.⁴⁵²

Table 1 Selected birth interventions for Northern Beaches Hospital and comparison hospitals, 2018⁴⁵³

Intervention	Northern Beaches Hospital (n=272) ¹ %	Peer Group B (n=27,980) ^{2,3} %	Public hospitals (n=73,891) ² %
Induction of labour	26.5	34.0	33.8
Instrumental delivery ⁴	18.8	10.5	11.4
Caesarean section	35.3	29.4	30.9
Pain relief using epidural-spinal analgesia ⁵	44.9	45.4	48.3

Source: NSW Perinatal Data Collection (SAPHaRI). Centre for Epidemiology and Evidence, NSW Ministry of Health.
Notes:

1. Data for Northern Beaches Hospital covers the period 31 October 2018 to 31 December 2018.
2. Data for Peer Group B and Public hospitals covers the period 1 January 2018 to 31 December 2018.
3. Peer Group B includes public hospitals with a peer grouping of Major hospitals group 1 (B1) and Major hospitals group 2 (B2).
4. Instrumental delivery includes forceps and vacuum extraction.
5. Epidural-spinal includes epidural, spinal, combined epidural and spinal, and caudal anaesthesia

- 4.112** Asked whether targets would assist in ensuring that rates of intervention in births do not escalate, NSW Health responded:

Northern Sydney Local Health District measures a range of clinical quality indicators to ensure safe and effective care is provided to birthing women at Northern Beaches Hospital. These measures are reviewed, initially each six months, to ensure that they continue to support safe and effective care, in line with NSW Health policies.⁴⁵⁴

The need to improve community understanding through transparency

- 4.113** The final significant concern that emerged during the inquiry relating to public and private patients is the need to improve the community's understanding of the hospital's role and services. A key message from inquiry participants was the imperative for greater transparency in this regard.
- 4.114** The committee noted in paragraphs 4.24 and 4.25 the call from Professor West and Mr Thomas, on behalf of residents of the Pittwater area, to clarify to the community what services are differentially available to public and private patients at the Northern Beaches Hospital. Professor West asserted that, 'People really have no idea what services are available at the

⁴⁵² Answers to questions on notice, NSW Health, received 6 December 2019, pp 6-7.

⁴⁵³ Answers to questions on notice, NSW Health, received 6 December 2019, p 6.

⁴⁵⁴ Answers to questions on notice, NSW Health, received 6 December 2019, pp 6-7.

Northern Beaches Hospital.⁴⁵⁵ The Palm Beach and Whale Beach Association further reported that, "There is a lack of confidence by the community in the NBH due to the failure of the NBH to provide the expected services."⁴⁵⁶

- 4.115** Similarly, the Save Mona Vale Hospital Community Action Group attested that there is a great deal of confusion in the community about services being offered at the Northern Beaches Hospital, observing:

One of the key community concerns is the lack of transparency at NBH, regarding what services are available, fees payable, the seemingly different level of services available to private and public patients, the ownership of NBH and its relationship with Northern Sydney Local Health Service.

The NBH website has very limited information. In the "About Us" section, there is no information regarding the governance structure, the management structure, key executive staff, the ownership of NBH or its relationship with NSW Health.

The website lists 21 departments, with minimal information about the services they provide and their availability for patients, both public and private.⁴⁵⁷

- 4.116** Like the Palm Beach and Whale Beach Association, Mr Thomas highlighted that the community feels that it was promised one thing and got another:

The community was led to believe that they would have product A and I think the end result is they certainly do not have the product that they were led to believe they were going to get. That is not just in terms of the quality of the product; it is in terms of what was going to be offered. I think there is a very significant lack of it.⁴⁵⁸

- 4.117** Echoing these concerns, the Nurses and Midwives' Association recommended that NSW Health 'Make known to the public what obligations and public health services are expected and required to be provided by Healthscope.'⁴⁵⁹

- 4.118** Dr Allan Forrest told the committee that the public private partnership funding model for the hospital was never fully explained to staff intending to move over to the new hospital, nor indeed to the broader community:

This funding model of the private public partnership was never properly explained to me—certainly not by Deborah Latta at that interview process—or to the medical staff of Manly Mona Vale hospitals or to the general public of the Northern Beaches for that matter.⁴⁶⁰

- 4.119** Asked what he would like to see come out of this inquiry, Dr Forrest expressed hope that the government will clarify its PPP model to the community:

⁴⁵⁵ Evidence, Professor West, 23 September 2019, p 4.

⁴⁵⁶ Submission 111, Palm Beach and Whale Beach Association, p 6.

⁴⁵⁷ Submission 121, Save Mona Vale Hospital Community Action Group, p 25.

⁴⁵⁸ Evidence, Mr Thomas, 26 August 2019, p 39.

⁴⁵⁹ Submission 200, NSW Nurses and Midwives' Association, p 42.

⁴⁶⁰ Evidence, Dr Forrest, 5 November 2019, p 12.

I ... also hope in a broader sense the Government provides clarity to the general public of New South Wales on just what is a private public hospital, in the same colocation, and where people stand when it comes to seeking treatment there. That includes people from the city and those doing it tough in the country, as well. At the moment there is no clarity. In fact, the whole public private partnership ideal seems to be shrouded in fog.⁴⁶¹

- 4.120** Mr Thomas argued that the community has a right to better understand the services available at this privately run hospital, just as it does in respect of public hospitals:

The public patients and the community have the right to the same information out of that service as they would have if they were going to a public hospital. I can get on line any time I like and find out role delineation information about exactly what services are available in what hospital at what level—level 3, level 1 or level 2; whatever it is. There is a mix of levels ... What is worse is that we do not really even know the details. That sort of information that the community has a right to know is not available. I know that half the GPs in the community do not even know. So they struggle in terms of referring people.⁴⁶²

- 4.121** Like Mr Thomas, ASMOF spoke of the mismatch between what the community was promised and what was delivered, and how this has eroded trust:

There was a widely spread expectation of the community that they were getting a new public hospital and many in the local community were expecting a bigger, better hospital with a wide range of sub specialties available. Some new service offerings are now being delivered, but there was a stark mismatch between what was anticipated, and what Healthscope planned to deliver. Furthermore, many community members are not well informed about the gap fee system, and may be surprised by billings they face accessing care at NBH.⁴⁶³

Committee comment

- 4.122** In respect of bed numbers, the committee takes at face value the evidence of NSW Health and Healthscope representatives about the purchasing of services and the occupancy of beds. The numerical information that the committee has gained on this issue has been very valuable and indeed highlights the lack of information in the public domain about the services (and beds) provided at the Northern Beaches Hospital under the deed. Many of the concerns and questions that inquiry participants had reflect their understandable fear and frustration because of the lack of information and transparency to date.
- 4.123** It is clear to the committee that the very strong and longstanding apprehension among community members and other important stakeholders about the closure of Manly and Mona Vale Hospitals has been heightened by the public private partnership under which the new hospital was built and will operate for at least the next 19 years. As was apparent in chapter 2, the entry of a private provider into what has been a public sector environment – the provision

⁴⁶¹ Evidence, Dr Forrest, 5 November 2019, p 16.

⁴⁶² Evidence, Mr Thomas, 26 August 2019, p 36.

⁴⁶³ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 23.

of hospital services to public patients – is a very significant change for consumers, health care professionals and others, that challenges fundamental values in respect of public hospital care.

- 4.124** It is clear to the committee that the lack of transparency about aspects of the deed, and linked to this, the lack of clarity about the specific services and role delineation of the hospital, has exacerbated stakeholders' concerns. Through its questioning of NSW Health and Healthscope, the committee has been able to shed light on what services are available to public versus private patients, but questions remain about the full suite of services available to public and private patients. In the committee's view it is essential that transparency about service levels be addressed as a priority. This will be fundamental in consolidating and maintaining community support for the hospital.
- 4.125** The point was well made by inquiry participants that insufficient transparency, and the mismatch between what the community was promised for the hospital and that which eventuated, have eroded public trust. Correspondingly, the committee agrees that greater transparency will be essential to rebuilding that trust. We thus recommend that NSW Health and Healthscope immediately and significantly enhance transparency with respect to all inpatient and outpatient services available at the hospital to both public and private patients, and out of pocket patient costs. This information must be published on an ongoing basis.

Recommendation 1

That in order to build the community's trust in the Northern Beaches Hospital and enable community members to make informed choices about how they access care, NSW Health and Healthscope immediately and significantly enhance transparency by publishing information on an ongoing basis with respect to:

- all inpatient and outpatient services available at the hospital to public and private patients
 - out of pocket patient costs.
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- 4.126** The evidence we received about a two tier system operating at the hospital was most troubling to the committee. Like many inquiry participants, we were very concerned by reports of differentiated care for public versus private patients, and that this is actually codified in the deed. Once again, limited transparency impedes our ability to understand exactly what services are available and to whom, and the question remains as to why there should be differentiated services for public and private patients on the one site.
- 4.127** It stands to reason that Healthscope needs to maximise its income in order to meet the costs of and indeed reward its investment in this public private partnership. However, the committee, like numerous stakeholders, is very aware that the delivery of services at different levels for public versus private patients chafes against the values of the public system, therein causing the inherent tension noted throughout this report. Like numerous stakeholders, the committee is very concerned that equitable treatment be provided to all, regardless of private insurance status. As a key recommendation of this inquiry, the committee considers that NSW Health and Healthscope must ensure that the same levels and standards of care are provided to public and private patients alike. The public patient must never be second best.

Recommendation 2

That NSW Health and Healthscope ensure that the same levels and standards of care are provided to public and private patients at the Northern Beaches Hospital.

- 4.128** We are also very mindful of the risks of a two tier system to patient care. In the committee's view, the heightened concern about differential access to coronary services in particular is well justified, given the potentially life and death consequences for patients. Under the deed at present, a private patient entering the hospital can have an angiography, cardiac catheter insertion or other specific coronary procedure. But a public patient who presents at emergency cannot and must be transported by ambulance to Royal North Shore Hospital to obtain it – unless they are judged to require 'urgent assistance'. Surely the boundaries around what is urgent in such circumstances are blurry and may change rapidly, with extraordinarily high risk. Doubtless this system also raises significant ethical dilemmas for clinicians.
- 4.129** Healthscope has assured the committee that the judgements about urgent assistance with respect to patients are purely clinical. It has also advised that in the interests of patient safety and care, a number of public patients have undergone emergency coronary procedures when it was deemed safer to give the care than risk transfer. Surely it safer, fairer and less ethically fraught to address this aspect of the deed by allowing all coronary procedures on site to be provided to public and private patients alike.
- 4.130** The committee was pleased to hear that negotiations to this end were, as of November, progressing, and that NSW Health expects further services will be available in early 2020, although again it is not known exactly what services these are to be. For the sake of clarity for both patients and health administrators, and on principle, the Committee recommends that all coronary care procedures at Northern Beaches Hospital currently available to private patients be available to public patients also, regardless of the urgency of their need. This will further enable the hospital to deliver to its full potential for the people of the Northern Beaches.
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Recommendation 3

That NSW Health ensure that the Northern Beaches Hospital is able to provide all coronary intervention treatments currently available to private patients to public patients also, regardless of the urgency of their need.

- 4.131** Resonating with our concern that patients might be being pressured to use their private health insurance when they are entitled under the Medicare system to receive care as public patients, was the allegation published in the media that Northern Beaches Hospital management offers patient liaison officers cash incentives to increase the number of patients converting from public to private status. Again this is a very troubling allegation; in the committee's view, within the context of the evidence we have received, it is also quite believable. It stands to reason that as a private operator Healthscope would use business practices to increase its income that are commonplace within the for profit corporate sector, but the question emerges as to whether this practice is acceptable in respect of public health care. This is a prime example of the predictable and uncomfortable consequences flowing from the public private partnership and
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the inherent tension in the private, for profit delivery of public health care. We return to this issue in the final chapter of our report.

- 4.132** More directly, the allegation in the media also raises significant questions as to Healthscope's assurances to the committee that it strictly adheres to NSW Health policy with respect to the election of private patient or public patient status on admission to a hospital.
- 4.133** The committee was troubled by the evidence of some inquiry participants, along with the recent media report, that patients of the Northern Beaches Hospital have been pressured, in various ways, to 'go private'. The committee is not aware of what action has been taken with regard to the allegations about incentives published in the media, nor what mechanisms exist to investigate and determine such matters. We firmly believe that the broader issue of ethical business practices within this PPP needs to be examined as a priority, with a view to protecting the interests of individual patients and the broader public over the life of the 20 year contract for the hospital. Linked to this, NSW Health should identify the mechanism to investigate and adjudicate when the boundaries of ethical business practice appear to have been crossed. We firmly believe that these tasks rest with NSW Health and government more broadly, who despite the PPP, retain responsibility for the health and wellbeing of the people of the Northern Beaches. Consistent with our views on transparency, this information must be communicated to the public.

Recommendation 4

That NSW Health determine and inform the public of:

- the boundaries for ethical business practices at the Northern Beaches Hospital
- the appropriate mechanism to investigate allegations of business conduct that is not in the interests of individual patients or the broader community.

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- 4.134** Further, in the committee's view, Healthscope should ensure that appropriate signage is erected at the hospital's points of admission which notifies patients of their right to treatment as a public patient at no cost.

Recommendation 5

That Healthscope ensure that appropriate signage is erected at the Northern Beaches Hospital's points of admission which notifies patients of their right to treatment as a public patient at no cost.

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- 4.135** With regard to patients' out of pocket costs, we were somewhat reassured that the early errors resulting in bills to public patients have been remedied and by NSW Health's clear assurance that public inpatients do not incur out of pocket costs, including for follow up consultations with specialists. However, patients who have not been admitted to hospital are not covered by this guarantee. Furthermore, in the absence of outpatient clinics, community members have no alternative but to be referred to private specialists, albeit with a request from their GP that they be bulk billed, which may or may not be honoured by the individual specialist. As some inquiry participants have pointed out, many Northern Beaches community members simply do not have

the means to meet these costs. Further, the committee shares the concern of community representatives that patients must now pay for some services that were previously provided free of charge.

- 4.136** Beyond the issue of costs, the committee was also troubled by the reduction of outpatient services, already lacking on the Northern Beaches in some specialty areas, with the advent of the hospital. While we accept the local health district's advice that some outpatient services may not look the same as they did at Mona Vale, we fully appreciate the frustration of general practitioners and others who have highlighted that the present arrangements are lacking and actually work against best practice in community based care. Again this is a product of the deed and we wonder how it could have been allowed to occur.
- 4.137** We are pleased that the NSLHD is working to improve outpatient services at the hospital. Based on the advice of the Sydney North Health Network, the committee recommends that at a minimum, NSW Health should reinstate access to previously available public specialist clinics, with priority given to cardiology and neurology (presently limited to those presenting at emergency or admitted to the hospital), and enhance paediatric outpatient services. In addition, it should address the long existing gaps in outpatient services that preceded the hospital's opening, in terms of gastroenterology, ophthalmology and orthopaedics. Further, NSW Health should ensure that outpatient services for public patients are bulk billed.
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Recommendation 6

That NSW Health better support non acute care and address the need for outpatient services at the Northern Beaches Hospital by:

- reinstating previously available public specialist clinics, with priority given to cardiology and neurology
 - enhancing paediatric outpatient services
 - addressing the long existing gaps in gastroenterology, ophthalmology and orthopaedic outpatient services
 - ensuring outpatient services for public patients are bulk billed.
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- 4.138** Finally, the committee shares community members' concerns that midwife led care in the hospital has diminished, thus limiting women's choices with respect to maternity care. Correspondingly, we share community members' apprehension that intervention rates in births in the hospital have increased and will not meet the standards required of the public system. We note that the data provided by NSW Health with respect to birth interventions at the Northern Beaches Hospital is of limited use in understanding the emerging patterns there as they only cover the first two months of the hospital's operation – some 272 births, when as of September 2019, over 1500 babies had been born at the hospital.⁴⁶⁴ Like Northern Beaches community members, the committee is eager to learn what the full data is indicating. We recommend that a more complete picture of the data be published as soon as possible, and monitored over time.

⁴⁶⁴ Healthscope, Presentation slides, committee site visit to Northern Beaches Hospital, 27 September 2019.

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- 4.139** In addition, the committee recommends that the Northern Sydney Local Health District work with Healthscope to extend the option for midwife group practice to all patients and provide birthing baths in all birthing suites.
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Recommendation 7

That NSW Health and Healthscope publish data on rates of intervention in respect of all births that have occurred at the Northern Beaches Hospital, and actively monitor these figures to ensure that maternity related options and outcomes for public patients are consistent with those in the public hospital system.

Recommendation 8

That the Northern Sydney Local Health District work with Healthscope to extend the option for midwife group practice to all patients and provide birthing baths in all birthing suites.

- 4.140** As a finding of this report, the committee considers that the public private partnership model underpinning the Northern Beaches Hospital, resulting in public patient services being delivered in an otherwise private hospital, has the potential to negatively affect people from lower socioeconomic backgrounds residing in the catchment.
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Finding 1

That the public private partnership model underpinning the Northern Beaches Hospital, resulting in public patient services being delivered in an otherwise private hospital, has the potential to negatively affect people from lower socioeconomic backgrounds residing in the catchment.

- 4.141** The committee returns to the issues of transparency and rebuilding the community's trust in the final chapter of this report.

Chapter 5 The hospital in its local context

In the previous chapter the committee examined participants' views in respect of the Northern Beaches Hospital's service provision to public and private patients, with a particular focus on equitable and affordable care. This chapter focuses on the geographical dimension to inquiry participants' views, examining the hospital's services within the broader context of the local communities it services and other local health district services. While the committee has endeavoured to separate these issues between the chapters, inevitably there was some overlap.

This chapter first explores community members' concerns as to whether the Northern Beaches Hospital (NBH) is adequate to meet local needs. It then considers various aspects of the specialist care provided at the hospital and within other parts of the Northern Sydney Local Health District (NSLHD). Next it considers the impact of the new hospital on demand at the neighbouring Royal North Shore Hospital, followed by the future of the Mona Vale campus and other local health services.

Will the Northern Beaches Hospital meet local needs?

- 5.1 An important area of debate during the inquiry was whether the Northern Beaches Hospital will meet the needs of its catchment communities. The discussion addressed the hospital's location, accessibility, catchment size, service delineation and ambulance response times.

Community and other perspectives

- 5.2 Community groups from the Northern Beaches area expressed fundamental concerns as to whether the new hospital will be able to meet the health needs of the local community. Intimately linked to this position was the closure of Manly and especially Mona Vale Hospitals that preceded its opening. Current and future service provision on the Mona Vale site is discussed later in this chapter.

The hospital's role

- 5.3 The Save Mona Vale Hospital Community Action Group considered that fundamentally, the hospital was poorly planned to meet local needs. Mr Parry Thomas, Chairman, questioned the premise on which the hospital was established, suggesting 'this hospital was never about delivering effective hospital services to the Northern Beaches. This hospital was about taking pressure off Royal North Shore, and that is one of the reasons why it is in this location'.⁴⁶⁵
- 5.4 Mr Thomas further argued that with 'a vastly increased catchment' than that shared by Mona Vale and Manly, and many people from Turramurra, St Ives and Chatswood now also accessing the hospital, as well as the ageing of the population, the demand for beds will be stronger than ever. He noted that the Greater Sydney Commission has estimated that the population of the area will grow by some 40,000 by 2036.⁴⁶⁶ Similarly, the Northern Beaches Greens contended

⁴⁶⁵ Evidence, Mr Parry Thomas, Chairman, Save Mona Vale Hospital Community Action Group, 26 August 2019, p 30; see also Submission 121, Save Mona Vale Hospital Community Action Group, p 4.

⁴⁶⁶ Evidence, Mr Thomas, 26 August 2019, pp 30 and 33; see also Submission 121, Save Mona Vale Hospital Community Action Group, p 4.

that in the context of a much larger catchment area, the hospital has already shown that it does not have the capacity to meet some needs.⁴⁶⁷

- 5.5** The Save Mona Vale Hospital Community Action Group observed that two level 4 public hospitals with acute services on the Northern Beaches coastal strip have been replaced by one private hospital, situated inland, that appears to provide level 3 services to public patients and level 5 services to private patients. The neighbouring level 6 Royal North Shore Hospital provides statewide services for trauma, severe burns, spinal cord injury, neonatal intensive care and interventional neuroradiology. The Action Group suggested that while Northern Beaches Hospital was intended to relieve pressure on Royal North Shore, many patients still need to be transferred there, for example for stroke treatment. The group argued the case for smaller, lower delineation hospitals within communities:

While the view is that modern medical care of the highest standard can only be provided from fewer, bigger hospitals, the evidence does not support this for non-complex patient care.

What patients want is a good local hospital close to their homes, while understanding that they may need to be transferred to a large hospital for complex conditions.

In fact, The NSW Health Plan – Towards 2021 - aims to provide healthcare as close to home as possible. 'Right treatment, right place, right time.'⁴⁶⁸

- 5.6** As noted in chapter 4, the Palm Beach and Whale Beach Association was also very concerned about the role delineation of the Northern Beaches Hospital. It argued that the hospital should be upgraded to a level 6, the same as Royal North Shore Hospital, commensurate with the community's size and needs, to enable them to access timely specialty care:

NBH is a large 500 bed state of the art hospital with all the facilities necessary to function as level 6 hospital. NBH needs to be staffed so that it can function as a level 6 hospital. NBH has a catchment area of over 300,000 people. This is large enough to support a level 6 hospital in the North Beaches. The residents of Pittwater should be able to obtain level 6 hospital services without having travel to, or be transferred from NBH to, RNSH which is over 40 km by road or at least 57 minutes' drive in good conditions from Pittwater. Having to travel over 40 km in Metropolitan Sydney to RNSH to have access to critical life saving health services is simply unacceptable.⁴⁶⁹

Distance and travel time

- 5.7** Aside from the distance to Royal North Shore Hospital, the Palm Beach and Whale Beach Association and Save Mona Vale Hospital Community Action Group were both also concerned about the distance and travel time now required for people living in the Pittwater and Mona Vale areas to utilise the new hospital.

⁴⁶⁷ Submission 113, Northern Beaches Greens, p 4.

⁴⁶⁸ Submission 121, Save Mona Vale Hospital Community Action Group, p 58.

⁴⁶⁹ Submission 111, Palm Beach and Whale Beach Association, p 10; see also Professor Richard West, Visiting Medical Surgeon, Royal Prince Alfred Hospital, and President, Palm Beach and Whale Beach Association 23 September 2019, p 4.

- 5.8** The Association reported that Mona Vale Hospital is located 12 kilometres from Palm Beach at northernmost end of the Pittwater Peninsula, a 15 minute car trip and easily accessible by public transport. By contrast, the Northern Beaches Hospital at Frenchs Forest is 30 kilometres from Palm Beach along what can be narrow and congested roads. Avalon is a similar 28 kilometres distance. In addition, the entire length of Wakehurst Parkway, the most direct road to the new hospital, is single lane only in each direction. According to the Association, while an upgrade of the intersection of Warringah Road and the Wakehurst Parkway, and floodproofing of the Parkway were both identified as essential when the hospital was first announced, the former is years behind schedule and the latter has not occurred. The Palm Beach and Whale Beach Association further advised that since the opening of the Northern Beaches Hospital there have been regular road closures due to flooding as well as accidents.⁴⁷⁰
- 5.9** Local resident and historian Dr Jonathan King told the committee, '[T]he Northern Beaches Hospital is so far away from the people in Palm Beach that we could die before we arrive. Climate change is going to increase torrential rain and frequent flooding, closing our one lane road over and over, compounding regular logjam traffic so it could be cheaper ... to renovate or build a new Mona Vale Hospital with [an emergency department] than flood-proofing Wakehurst Parkway.'⁴⁷¹
- 5.10** Mr Thomas noted that the vast majority of patients who used Mona Vale and Manly Hospitals were from the beaches strip,⁴⁷² and highlighted to the committee the literal and perceived distance for some patients to have to travel to the Frenchs Forest site:

If you lived at Bondi and I told you that you had to go to the Northern Beaches Hospital for your health services, your reaction would be shock and laughter. That is what the people from Avalon North have to do. That is the distance and that is the time. It is unacceptable and it needs to be fixed.⁴⁷³

- 5.11** Both the Save Mona Vale Hospital Community Action Group and the Palm Beach and Whale Beach Association highlighted to the committee that there are no direct bus routes, either public or private, from the Northern Beaches to the hospital; indeed, it is necessary to change buses and the journey can take from 1hr 30m to 1hr 50m.⁴⁷⁴ The Association thus argued that a direct bus from Pittwater via the Wakehurst Parkway to the Northern Beaches Hospital is essential.⁴⁷⁵ Noting that access difficulties are particularly pronounced for older people and those with young children, Mr Thomas of the Action Group explained the challenges for patients travelling by public transport:

Now if you want to get to Northern Beaches Hospital ... There is a schedule that goes up and back, but you have to get to Mona Vale. We have a Keoride system which you can book and it will take you to a place—maybe down to a bus stop. If you go by bus

⁴⁷⁰ Submission 111, Palm Beach and Whale Beach Association, pp 1, 2 and 4; see also Submission 121, Save Mona Vale Hospital Community Action Group, p 37.

⁴⁷¹ Evidence, Dr Jonathan King, Historian, author and local resident, 23 September 2019, p 2.

⁴⁷² Evidence, Mr Thomas, 26 August 2019, p 33.

⁴⁷³ Evidence, Mr Thomas, 26 August 2019, p 31.

⁴⁷⁴ Submission 121, SMVH, p 24; Submission 111, Palm Beach and Whale Beach Association, p 4.

⁴⁷⁵ Submission 111, Palm Beach and Whale Beach Association, p 4.

you effectively go to Dee Why and then up the hill. It is a very substantial amount of time to get there from Mona Vale north, quite frankly.⁴⁷⁶

- 5.12** In a similar vein, general practitioner Dr Suzanne Daly highlighted the hospital's distance to coastal communities by observing that, 'The hospital is located at Frenchs Forest rather than on the Northern Beaches'.⁴⁷⁷ Echoing others' concerns, she then reported that time and distance are also significant issue for ambulances and spoke of the many emergency-related needs of Northern Beaches residents:

It takes too long for ambulances that are often coming from out of the area to reach the patient, let alone go to Frenchs Forest. This was highlighted just a few days ago when an ambulance took 35 minutes to reach a collapsed toddler at Bilgola Plateau near Newport, whose grandfather was doing CPR to keep her alive. The ambulance had to come from Balgowlah near Manly. Two other ambulances arrived too.

Thankfully, the child has survived; but had this been a drowning, probably not. This is just one of many incidents I have selected ... There are many beaches, swimming pools, surfers, rock fishermen et cetera on the peninsula and I am fearful of accidents in the coming months. The emergency department and hospital at Frenchs Forest are barely able to cope now, and the hospital is not even to full capacity; yet what is going to happen in the next few years as the population grows if nothing is done now?⁴⁷⁸

- 5.13** Likewise, the Save Mona Vale Hospital Community Action Group underscored the emergency health needs of the local community, and referred to research evidence of the relationship between increased distance to hospital and increased risk of death and other health outcomes to argue the necessity of an emergency department at Mona Vale, closer to home:

The need for an emergency department at Mona Vale is supported by a 2007 British study that found a relationship between increased distance to hospital and increased risk of death.

The researchers noted evidence that specialist emergency departments improve outcomes in some complex cases - such as primary angioplasty for acute myocardial infarction and care for major trauma patients with multiple injuries.

However, the Northern Sydney Local Health District has told residents at community meetings that these forms of critical care are unavailable at NBH anyway – so patients suffering these problems continue to be transported to RNSH.

The researchers also said that patients in anaphylactic shock, with acute asthma attacks, choking or having drowned (all common occurrences on the Northern Beaches) need urgent but not specialist care.⁴⁷⁹

- 5.14** The Action Group argued that the Pittwater community is missing out on the medical care recommended in this study on two counts: first, that it no longer has a nearby emergency department equipped to deal with urgent but not specialist needs; and second, that as the Northern Beaches Hospital is not equipped to deal with all heart conditions, stroke or major

⁴⁷⁶ Evidence, Mr Thomas, 26 August 2019, p 37.

⁴⁷⁷ Evidence, Dr Suzanne Daly, General Practitioner, 23 September 2019, p 4.

⁴⁷⁸ Evidence, Dr Daly, 23 September 2019, p 5.

⁴⁷⁹ Submission 122, Save Mona Vale Hospital Community Action Group, p 33.

trauma, these patients bypass not only Mona Vale but also the new hospital and travel to Royal North Shore. It further contended that 'because of the dysfunction at and lack of confidence of medical staff and patients in NBH, many patients now travel directly to Royal North Shore, 40 km away, or are transferred from NBH to other hospitals.'⁴⁸⁰

- 5.15** Other local community participants who highlighted the distance to the new hospital included Mr Rob Abbott, who told the committee, 'I suffered a heart attack a few years back and would have died if Mona Vale Hospital had not been there. We have been sold out. The new NBH is a great place BUT too far away for us on the beaches.'⁴⁸¹ Tragically, another individual spoke of a family member who had a heart attack and died on the way to NBH, suggesting that if he had been taken to Mona Vale Hospital 'it would have been only minutes to receive professional care' and he might have had greater chance of survival.⁴⁸² Some noted the need for closer proximity to maternity care and another pointed to the short window of time for effective trauma care:

With regard to emergency trauma care, a few minutes can mean the difference between life and death ... In general, the faster that medical care is rendered, the better the medical outcome will be.⁴⁸³

- 5.16** Consistent with these views, some participants such as Mrs Penelope Kerr called for the services at Mona Vale to be reinstated:

I contend that the area previously served by Mona Vale Hospital continues to need a fully functioning local hospital for all levels of medical emergency including childbirth; and aftercare for the less serious cases. Basically what we need is for Mona Vale Hospital to be retained exactly as it was before last year. This includes the provision of maternity facilities on the Mona Vale site.

We will always need other hospitals such as Royal North Shore, the San, Mater and Northern Beaches to provide specialist surgery and care, but these can never fulfil the need for urgent treatment at a local facility.⁴⁸⁴

- 5.17** Consistent with these views, many local community members expressed to their committee their desire for Mona Vale Hospital to have remained their local acute care hospital, especially for accident and emergency.⁴⁸⁵
- 5.18** Beyond local community members, Dr Anthony Joseph, Senior State Councillor with the Australian Salaried Medical Officers' Federation of NSW (ASMOF), advised the committee that the Royal North Shore Hospital Medical Staff Council 'also questioned the wisdom of building a new 400-bed hospital at Frenchs Forest when there are always going to be transport

⁴⁸⁰ Submission 122, Save Mona Vale Hospital Community Action Group, p 33.

⁴⁸¹ Submission 15a, Mr Rob Abbott, p 1. See also Submission 13, Name suppressed, p 1; Submission 17, Name suppressed, p 1; Submission 20, Ms Allison Bosley, p 1; Submission 48, Mr Brett Jeffries, p 1; Submission 49, Ms Penny Auburn, p 1; Submission 69, Ms Jacqueline Byrne, p 1.

⁴⁸² Submission 46, Name suppressed, p 1.

⁴⁸³ Submission 166, Name suppressed, p 1.

⁴⁸⁴ Submission 80, Mrs Penelope Kerr, p 1.

⁴⁸⁵ See for example Submission 16, Name suppressed, p 1; Submission 23, Name suppressed, p 1; Submission 37, Name suppressed, p 1; Submission 68, Ms Kerry Riston, p 1;

infrastructure problems.' Instead, the Staff Council long thought it preferable to build a new hospital on the Mona Vale site.⁴⁸⁶

Ambulances

- 5.19** Mr Thomas reported that the challenge of distance is also affecting ambulances, with many having to travel from other parts of Sydney:

[N]ow that you have the hospital a long way away, the ambulances are just not there. The ambulances are gone out of the area. We have had people get ambulances from out west to come down and pick them up.⁴⁸⁷

- 5.20** The Northern Beaches Greens advised that the Northern Beaches Hospital's location has 'caused a far greater demand for ambulance services by [residents] located too far away to drive there in an emergency. This has increased the financial burden for taxpayers and the pressure on an already overstretched ambulance service.'⁴⁸⁸

- 5.21** Both Dr Daly and Professor West stressed the need for more ambulances and paramedics stationed in the Northern Beaches areas to meet demand and ensure timely emergency care.⁴⁸⁹ The Palm Beach and Whale Beach Association cited recent Bureau of Health Information data to highlight increased response times of almost 23 per cent in Pittwater since the opening of the Northern Beaches Hospital:

The latest set of independent ambulance figures published by the Bureau of Health Information are the most detailed yet. They state:

Ambulance crews saw a massive increase in calls on the Northern Beaches compared with the same period last year and an increase in response times. For the first time, the Northern Beaches have been divided into three areas: Manly, Warringah and Pittwater.

They revealed that the number of responses in the period from January to March 2019 increased by 22.7 per cent in Pittwater compared with the same quarter last year. Warringah saw a 15.8 per cent rise and Manly, 5.8 per cent. That compares with a 10.2 per cent increase across NSW overall.

The median response times for emergency calls was highest in Manly at 12 minutes, up two minutes from the same time last year.

Pittwater's median response time was 11.8 minutes, up 1.4 minutes and Warringah's was 11.5 minutes, up 0.4 minutes.

⁴⁸⁶ Evidence, Dr Anthony Joseph, Senior Staff Specialist, Emergency Department and Director of Trauma, Royal North Shore Hospital, and NSW State Councillor, Australian Salaried Medical Officers' Federation of NSW, 26 August 2019, p 49.

⁴⁸⁷ Evidence, Mr Thomas, 26 August 2019, p 35.

⁴⁸⁸ Submission 113, Northern Beaches Greens, p 4.

⁴⁸⁹ Evidence, Dr Daly, Evidence, 23 September 2019, p 5; Evidence, Professor King, 23 September 2019, p 3.

Ten per cent of patients deemed as emergencies waited more than 22.4 minutes in Pittwater for an ambulance to arrive. In Manly it was 22 minutes and Warringah 21.4 minutes.⁴⁹⁰

- 5.22** The Palm Beach and Whale Beach Association called for the Avalon ambulance station to be staffed 24 hours a day, with the ambulances required to stay in the Pittwater area.⁴⁹¹

NSW Health perspective

- 5.23** The committee sought from NSW Health representatives their perspective on the issues raised by community members in respect of the capacity of the hospital to meet local needs. Responding to a question about community members' substantial concern that a single hospital like the Northern Beaches is not equipped to handle the growing needs of the ageing population, which is expected to grow by around 45,000 people by 2030, Ms Deborah Willcox, Chief Executive of the NSLHD, responded that this is a challenge for all local health districts, and that hers is committed to planning effectively for the needs of the older population:

I would say that the matter of an ageing population is a matter for our health district and probably the entire health system. Our role, as people managing health service, is to be planning for that and working with clinicians to modify models of care and the types of services that we provide to ensure that we keep people in their homes and keep up with the evolution of health care. In even just the last 10 years, with a number of services the lengths of stays are less. People can receive different types of care in their homes ... The Northern Beaches Hospital would be included in our local health district planning, and that planning work is ongoing. We have just released our own clinical services plan for the Northern Sydney Local Health District. We talk in detail around the care of our ageing community. We would have them as welcome participants in that planning process.⁴⁹²

- 5.24** Invited to respond to the Save Mona Vale Hospital Community Action Group's suggestion that the Northern Beaches Hospital cannot meet community's needs into the future, Ms Willcox indicated that because of their ageing infrastructure, the Mona Vale and Manly Hospitals did not allow the LHD to provide new models of care, which are now enabled by the state of the art facility of Northern Beaches Hospital. In addition, she noted that there were some inefficiencies in providing and networking services across the two sites.⁴⁹³ She also pointed to the LHD's investment in community health services at the local level

Remembering, too, though we have a purpose-built new community health centre at Brookvale, which is around \$50 million of investment that enables a whole range of community-based services—breast screening, early child care, mental health, podiatry, et cetera—right there at the B-line, and right there in the shopping centre for the community to access as well as refurbished community health centres both at Seaforth and at Mona Vale.⁴⁹⁴

⁴⁹⁰ Submission 111, Palm Beach and Whale Beach Association, p 4.

⁴⁹¹ Submission 111, Palm Beach and Whale Beach Association, p 4.

⁴⁹² Evidence, Ms Deborah Willcox, Chief Executive, Northern Sydney Local Health District, 5 November 2019, p 36.

⁴⁹³ Evidence, Ms Willcox, 26 August 2019, pp 12 and 13.

⁴⁹⁴ Evidence, Ms Willcox, 26 August 2019, p 12.

- 5.25** In light of community concerns about increased distance and travel time for patients in the Mona Vale area, the committee asked Ms Willcox about how ambulance services have accommodated the new hospital. She assured the committee that substantial work had been done to facilitate this:

The ambulance service works to a matrix, but they are highly skilled paramedics in our Ambulance Service. Intensive care starts for patients from the moment they are picked up by the ambulance, whether it is at home, on the street or at work. The Ambulance Service has realigned its activities, obviously, to accommodate [the new hospital]. There have been a lot of discussions and linkages with the new Northern Beaches and ambulances to make sure that that all works seamlessly. To date I am pleased to say that it is.⁴⁹⁵

- 5.26** Ms Willcox further stated that the Urgent Care Centre at Mona Vale (discussed in detail later in this chapter) only sees people with more minor conditions, and if those patients require a transfer to Northern Beaches Hospital or Royal North Shore, ambulances are available to transport them.⁴⁹⁶

- 5.27** In respect of ambulance resourcing in the Northern Beaches area, NSW Health advised the committee:

In 2016/17, the NSW Government introduced an additional 12 paramedics to the Northern Beaches to further support the community. This enhancement to local resources is the equivalent of two additional ambulance crews a day, seven days a week.

A new ambulance station on the site of the Mona Vale Hospital was announced in 2018. This will provide a modern, fit-for-purpose facility for paramedics to deliver care to patients on the Northern Beaches. Paramedics are currently working from a station on the former Mona Vale Hospital campus, which along with Narrabeen and Belrose Ambulance Stations provides a local response capacity to the community.

In addition, as part of the NSW Government State-wide Workforce Enhancement Program commenced in 2018, a further 12 paramedics will commence working in the Northern Sydney area before the end of 2019.⁴⁹⁷

- 5.28** As noted in chapter 1, NSW Health's primary aim in establishing the hospital was to maximise the breadth of clinical services available to the Northern Beaches community, and this is explored in detail in the following section. At this point we note that Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Ministry of Health, elaborated on the expansion of speciality services, which he maintained are in many cases provided closer to home than before:

[T]here was an opportunity to actually enhance the services provided to the local community through the establishment of the Northern Beaches Hospital, by providing a level of specialty care that was above and beyond what was available at either Manly or Mona Vale. The benefits are not just around the number of beds available, it is about the range of services that are able to be delivered. It certainly has meant that people can receive many types of care closer to home than what they previously did because

⁴⁹⁵ Evidence, Ms Willcox, 26 August 2019, p 12.

⁴⁹⁶ Evidence, Ms Willcox, 26 August 2019, p 12.

⁴⁹⁷ Submission 224, NSW Health, p 14.

previously they would have had to have been transferred to Royal North Shore Hospital for that care. That can actually be provided at Northern Beaches now.⁴⁹⁸

- 5.29** On a different note but relevant to the issue of distance and transport, the NSW Health submission to the inquiry documented the NSW Government's investment beyond the health budget towards the Northern Beaches Hospital project:

In addition, a substantial capital investment was made by the NSW Government in road upgrades to the area, including major work on Warringah Road, Forest Way and the Wakehurst Parkway increasing capacity, to ultimately reduce congestion and improve traffic flow. NSW Roads and Maritime Services undertook detailed traffic planning studies to support NBH including planning for public transport access. The coordination of transport service has been an important element in the overall health service redevelopment on the Northern Beaches. NSW Transport identified more than 1,200 additional weekly bus services introduced across the Northern Beaches to improve access to NBH.⁴⁹⁹

Specialist care

- 5.30** During discussions about the Northern Beaches Hospital in its local context, a number of areas of specialist care emerged as a particular focus for community members. The committee also explored specialist clinical services from the perspective of Healthscope and NSW Health representatives.

Community and other perspectives

- 5.31** Inquiry participants raised particular concerns in respect of treatment for heart attack and stroke, trauma care, and paediatric services.

Treatment for heart attack and stroke

- 5.32** Professor West highlighted the limited provision for cardiac and thrombolysis treatment at Northern Beaches Hospital for stroke as particularly disappointing to the Palm Beach Whale Beach Association. He told the committee that 'Cardiovascular disease, including strokes and coronary heart disease, are two of three leading causes of death in Australia. There must be full facilities at the level 5 Northern Beaches Hospital to treat cardiovascular disease, in the interest of patient care.'⁵⁰⁰
- 5.33** As noted in chapter 4, Professor West highlighted the differentiated cardiac services for public versus private patients at Northern Beaches Hospital calling very strongly for this to be remedied not only because it is unfair to public patients, but because it causes delays in critical treatments.⁵⁰¹

⁴⁹⁸ Evidence, Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 26 August 2019, p 9.

⁴⁹⁹ Submission 224, NSW Health, p 3.

⁵⁰⁰ Evidence, Professor West, 23 September 2019, p 3; see also Submission 111, Palm Beach and Whale Beach Association, p 8.

⁵⁰¹ Evidence, Professor West, 23 September 2019, p 3.

- 5.34** Similarly, Professor West called for thrombolysis treatment for stroke to be made available at the new hospital. While there is a stroke unit at Northern Beaches, it cannot administer thrombolysis treatment, such that patients requiring it must be transferred to Royal North Shore. Professor West explained the treatment for different kinds of strokes and the small window of opportunity that time permits for effective intervention:

Strokes—what is the action for strokes? Fast treatment, fast diagnosis ... and fast transfer to hospital. When you arrive at a hospital, a good stroke unit will have a stroke nurse who will treat you as you come in—they will quickly take a history and do the appropriate examinations, such as a CAT scan, an MRI. Those are available at the Northern Beaches Hospital. Strokes may be due to either a blocked artery in the brain or a haemorrhage. It is important to distinguish between what has occurred because if it is due to a blocked artery, it needs to be busted and you need to have thrombolysis ... If patients still have to go to the stroke unit at North Shore, this will only delay treatment more—the more rapidly the treatment is given, the better the outcome and the optimum is three hours. By the time they get to Northern Beaches, get investigated and transferred to North Shore, that time will probably have expired.⁵⁰²

- 5.35** Following the hearing, Professor West provided a list of 20 hospitals around the state that provide thrombolytic treatment for strokes, and again called for the Northern Beaches Hospital to be included in this list.⁵⁰³
- 5.36** Community member Mr Donald Creed told the committee that he was very disappointed that thrombolytic therapy is only available at Royal North Shore, arguing that as a result, people in the Northern Beaches area 'have a higher probability of disastrous consequences.'⁵⁰⁴
- 5.37** With regard to cardiac care, there was some discussion in the evidence about the ambulance matrix requiring patients potentially experiencing heart attack to be taken direct to Royal North Shore. At the September hearing Dr Daly indicated that she had recently been advised of this protocol by two Northern Beaches Hospital staff and by a patient who had called an ambulance.⁵⁰⁵ Asked whether a longer trip to Royal North Shore would place a patient at greater risk, Dr Daly agreed that it might, but also noted that without adequate cardiac services, the Northern Beaches Hospital is limited in its ability to assist these patients:

... Frenchs Forest is not the best place for all cardiac cases. I allude to it in my cases here—there is great difficulty just getting an echocardiogram scan. This is necessary if you suspect anything other than a pending heart attack. All that the Frenchs Forest hospital has given us that that we did not have at Mona Vale is a catheter lab, but it is only there 9.00 to 4.00 Monday to Friday for public patients. Even private patients are on a waiting list for it. It does not provide state of the art facilities for cardiac cases. Bear in mind that we have the highest over 55s in the State on the northern beaches, yet this hospital at Frenchs Forest is not providing cardiac and—we have heard from Professor West—adequate treatment of stroke and heart attack.⁵⁰⁶

⁵⁰² Evidence, Professor West, 23 September 2019, p 3.

⁵⁰³ Submission 111a, Palm Beach and Whale Beach Association, p 5.

⁵⁰⁴ Submission 234, Mr Donald Creed, p 1.

⁵⁰⁵ Evidence, Dr Daly, 23 September 2019, p 5.

⁵⁰⁶ Evidence, Dr Daly, 23 September 2019, p 8.

Trauma care

- 5.38** The Palm Beach and Whale Beach Association further argued the case for the Northern Beaches Hospital to be upgraded to manage all trauma patients, rather than those with 'major trauma' being taken by ambulance directly to Royal North Shore, and proposed that 'major trauma' in this context has never been properly defined for the community.⁵⁰⁷ Again Professor West he underscored the critical importance of timely emergency care, referring to the 'golden hour' for trauma treatment.⁵⁰⁸

Paediatric services

- 5.39** Finally, Professor West and the Association called for enhanced paediatric services on site at the hospital to meet local needs:

There have been reports that children requiring an appendectomy for acute appendicitis and other surgical operations have been transferred to Sydney and Westmead Childrens Hospitals. This is unacceptable. It causes undue delay in treatment. The clinical state of a sick child can rapidly deteriorate. They should not be transported all round Sydney to obtain treatment.

It has also been reported that the surgical registrar on duty is not allowed to see children with surgical conditions in casualty.

The NSW Health Role Delineation Guidelines state that a Level 4 hospital must have Surgeons and Anaesthetists who are certified to treat children. NBH is a level 5 hospital so these services for children must be provided at NBH.

The turf war regarding the surgical treatment of children must stop.⁵⁰⁹

- 5.40** Community member Ms Penny Hunstead highlighted the difficulty for local families arising from reduced provision for paediatric services at the new hospital:

It is shocking that children under 12 years of age, from Palm Beach to Manly will have to go to Royal North Shore Hospital, Westmead or Prince of Wales Hospital, to receive the treatment that was previously available to them at Mona Vale Hospital (or Manly Hospital). The huge expansion of housing in the Warriewood Valley will see large numbers of young children sent to hospitals, far away from where their parents can visit them.

A number of the services that were previously available to all residents of the northern beaches, are no longer available at the new Northern Beaches Hospital. There are many stories of people not receiving necessary emergency treatment at the Northern Beaches Hospital, because the services that needed were not available. Mona Vale Hospital has never turned people away.⁵¹⁰

⁵⁰⁷ Submission 111, Palm Beach and Whale Beach Association, p 8; See also Evidence, Professor West, 23 September 2019, p 3.

⁵⁰⁸ Evidence, Professor West, 23 September 2019, p 3.

⁵⁰⁹ Submission 111, Palm Beach and Whale Beach Association, pp 8-9.

⁵¹⁰ Submission 26, Ms Penny Hunstead, p 1.

Healthscope perspective

5.41 In November 2019 Healthscope provided an updated list of departments within the hospital:

- Aged Care
- Anaesthetics
- Cancer Care
- Cardiac Care
- Children's Health
- Clinical Governance
- Emergency Department
- Endocrinology
- ENT
- Gastroenterology
- General Medicine
- General Surgery
- Infectious Diseases
- Intensive Care Services
- Medical Imaging
- Medical Subspecialties
- Mental Health
- Nephrology
- Neurology
- Neurosurgery
- Orthopaedics
- Ophthalmology
- Pathology
- Plastics
- Surgeries
- Vascular
- Women's Health
- Urology.⁵¹¹

5.42 Healthscope confirmed that it is not part of the Northern Beaches hospital deed to provide thrombolytic treatment for stroke:

NBH plays an important role in the treatment of stroke patients, from the time of stroke, through to rehabilitation and discharge home.

Thrombolysis treatment, or the provision of clot-busting therapy, to the proportion of stroke patients who benefit from this treatment, continues to be provided at Royal North Shore Hospital where it was provided prior to NBH's opening. These services were not previously available at Manly or Mona Vale hospitals.

⁵¹¹ Answers to questions on notice, Healthscope Ltd, received 9 December 2019, p 2.

This is consistent with both NBH's role delineation and our role within the District. The Deed specifically requires NBH to provide a "non-thrombolytic" stroke service, at this time.⁵¹²

5.43 Picking up on evidence in chapter 4 about oncology services (see paragraphs 4.79 - 4.81), the committee also sought information from Healthscope about these. Healthscope advised that Northern Beaches Hospital's cancer care services include:

- the oncology and infusion centre, a 12-chair facility, operating week days, for the delivery of:
 - intravenous infusions, subcutaneous and oral cancer treatments, that is, outpatient chemotherapy, immunotherapy and non-cytotoxic cancer treatments such as targeted therapies and hormonal treatments
 - non-malignant haematology therapies, for example blood transfusions and iron infusions
 - medical infusions, for example for gastroenterology, immunology, neurology and respiratory specialities
 - venesection, for example for the treatment of haemochromatosis.
- radiation oncology, with radiation oncology specialists from nearby treatment centres having visiting rights to NBH, providing a regular outpatient clinic
- inpatient care, through which a comprehensive range of services including surgery, oncology and haematology with a palliative care and radiation oncology consulting service. Specialists are supported by oncology and palliative care clinical nurse consultants, a McGrath breast nurse, specialised nursing staff, and allied health professionals.⁵¹³

5.44 With respect to palliative care, Healthscope advised the committee that both inpatient and community palliative care services for the Northern Beaches are provided at the LHD level and indicated that, 'NBH works collaboratively with all of the LHD's specialist palliative care providers to support our local community.' These include:

- Royal North Shore Hospital Palliative Care Department
- Neringah Hospital
- Greenwich Hospital
- Community palliative care services.⁵¹⁴

5.45 Healthscope further indicated that it is looking forward to working with the Mona Vale palliative care unit when it opens in 2020.⁵¹⁵

NSW Health perspective

5.46 In light of stakeholders' views, the committee asked NSW Health representatives why the Northern Beaches Hospital is currently unable to provide thrombolytic treatment for strokes.

⁵¹² Submission 119a, Healthscope Ltd, p 2; see also Evidence, Mr Andrew Newton, Chief Executive Officer, Northern Beaches Hospital, 5 November 2019, p 17.

⁵¹³ Answers to questions on notice, Healthscope Ltd, received 9 December 2019, pp 2-3.

⁵¹⁴ Answers to questions on notice, Healthscope Ltd, received 9 December 2019, p 3.

⁵¹⁵ Answers to questions on notice, Healthscope Ltd, received 9 December 2019, p 3.

Ms Willcox explained that this treatment is highly specialised, provided through a highly skilled teams of clinicians, and that 'models from around the world suggest that the best care is provided in one place where you can get adequate volumes [of patients] with not just individuals but teams with the right set of expertise that flows through from emergency, imaging, neurology, neurosurgery, radiography ... and interventional radiology.'⁵¹⁶

5.47 She added that while there are some interventional radiology and stroke care services provided at Northern Beaches Hospital, for those patients requiring thrombolysis and clot retrieval, the advice of NSW Health's clinical teams and networks is that those services should continue to only be provided at Royal North Shore Hospital, as was the case before Manly and Mona Vale Hospitals closed.⁵¹⁷ Ms Willcox continued:

Again, this is based on clinicians' advice. This is not a decision around what the administrators or service managers want. This is around best evidence of where this care should be provided. Royal North Shore has some of the best needle times nationally in terms of providing this treatment to patients. This is not a type of service that is put quite simply into a hospital. This requires a dedicated, highly skilled team seeing enough volume.⁵¹⁸

5.48 Ms Willcox then emphasised that, 'The Northern Beaches community is part of our local health district. We network these services so we can look after the entire community.'⁵¹⁹ Reinforcing this point, Ms Susan Pearce, Deputy Secretary, Patient Experience and System Performance, added that the arrangement for thrombolysis is consistent with the networked approach to many specialist clinical services that is common practice across the health system, for example burns units, spinal units and specialised intensive care units.⁵²⁰

5.49 The committee sought NSW Health's perspective on the ongoing concern among some community members about having to travel significant distances for trauma care. Again it responded that all clinical services in the public health system are provided through a network of linked facilities. It stated that major trauma is also a specialist clinical service, and is only provided through identified major trauma centres to ensure the best possible clinical outcome for these patients.⁵²¹

5.50 As noted in Chapter 2, NSW Health representatives emphasised to the committee that in closing Manly and Mona Vale and opening the Northern Beaches Hospital, a key goal of the LHD was to expand the range of specialty care within the Northern Beaches area. Ms Willcox reflected that now, instead of having to be transferred to Royal North Shore in order to receive care not available at the Manly or Mona Vale Hospitals because of their lower role delineation, people can now access more specialist services closer to home:

It certainly has meant that people can receive many types of care closer to home than what they previously did because previously they would have had to have been

⁵¹⁶ Evidence, Ms Willcox, 5 November 2019, p 39.

⁵¹⁷ Evidence, Ms Willcox, 5 November 2019, p 39.

⁵¹⁸ Evidence, Ms Willcox, 5 November 2019, p 39.

⁵¹⁹ Evidence, Ms Willcox, 5 November 2019, p 39.

⁵²⁰ Evidence, Ms Susan Pearce, Deputy Secretary, Patient Experience and System Performance, NSW Health, 5 November 2019, p 39.

⁵²¹ Answers to questions on notice, NSW Health, received 6 December 2019, p 5.

transferred to North Shore hospital for that care. That can actually be provided at Northern Beaches now.⁵²²

5.51 As examples of specialist hospital services now available at the Northern Beaches Hospital that were not available at Manly or Mona Vale, she cited:

- MRI scanning
- CT scanning including low dose scanning for children
- a special care nursery of 14 cots
- newborn care for babies born at gestation of around 32 weeks compared with 36 previously
- electroencephalogram [EEG] services
- cardiac catheterisation.⁵²³

5.52 In addition, Ms Willcox noted that the Northern Beaches Hospital has a number of subspecialties such as neurology, renal medicine and endovascular surgery, a highly skilled and specialised emergency department team, and additional intensive care beds at a higher level than Manly and Mona Vale were able to provide. Asked by the committee, she confirmed that the provision of these services at Northern Beaches will in turn free up beds at Royal North Shore.⁵²⁴

5.53 Ms Willcox further highlighted the greater capacity of the Northern Beaches Hospital compared with the previous hospital on numerous counts:

I have just some simple facts: 50 emergency bays compared to 30; 14 operating theatres compared to 5; 20 intensive care unit [ICU] beds compared to 13; and 40 maternity beds compared to 31. It just gives you a sense of the breadth and complexity able to now be provided.⁵²⁵

5.54 As evidence of the shift towards greater provision of more complex care closer to home, Ms Willcox advised the committee in November 2019 that previously, perhaps 20 per cent of ambulances would leave the Northern Beaches area to take people to Royal North Shore Hospital, but that figure is estimated to have dropped to around 11 per cent.⁵²⁶

Impact on Royal North Shore Hospital

5.55 There was some evidence that the operations of the Northern Beaches Hospital were increasing demand upon the Royal North Shore Hospital, at least in the months between the opening of the hospital and the evidence gathering stages of this inquiry.

⁵²² Evidence, Dr Lyons, 26 August 2019, p 9.

⁵²³ Evidence, Ms Willcox, 26 August 2019, p 11 and 12-13.

⁵²⁴ Evidence, Ms Willcox, 26 August 2019, p 11 and 12-13.

⁵²⁵ Evidence, Ms Willcox, 26 August 2019, pp 12-13.

⁵²⁶ Evidence, Ms Willcox, 26 August 2019, p 11.

Community and other perspectives

- 5.56** The NSW Nurses and Midwives' Association reported anecdotal feedback from its members working at Royal North Shore of an apparent increased demand arising from patients bypassing or refusing to be treated at the Northern Beaches Hospital. It also cited media reports suggesting that GPs were referring patients to Royal North Shore rather than Northern Beaches, 'at least in part to reduce out of pocket costs for patients.'⁵²⁷ Out of pocket costs are discussed in detail in chapter 4.
- 5.57** Similarly, the Australian Salaried Medical Officers' Federation of NSW (ASMOF) reported its members' observations that gaps in services provided by Northern Beaches Hospital are having a flow on effect at Royal North Shore. It quoted a member employed at the latter who argued that the lack of certain outpatient services (also discussed in detail in chapter 4) has led to a significant increase in referrals to those at Royal North Shore, and that some patients are apparently either bypassing the Northern Beaches Hospital or being transferred from its emergency department because a particular subspecialty is not provided at that hospital (again discussed in chapter 4). This doctor documented several concerns:

Firstly, patients. In my last week of work, I personally had several patients recently treated at [NBH] who decided to self-present to RNS. All were complex.

Secondly, Ambulance Service NSW. Numerous times I have been told that they have bypassed the [NBH] as they are unsure if they will be appropriate or require secondary transfer ...

Thirdly, GPs. I have received numerous calls from GPs referring patients out of area to RNS, as either they do not want to refer to [NBH] or the patient wants to come to RNS. Admittedly this happened prior to [NBH] opening, but has increased in my experience. Explaining to GPs that I will not accept patients that should present to [NBH] represents another hard to measure waste of everyone's time.

- 5.58** The doctor concluded by highlighting the complex picture of heightened demand at Royal North Shore:

Clearly my personal feeling is that the [Northern] Beaches Hospital has not lessened our work load. Indeed, I feel that it has created a complex environment of patient and ambulance service uncertainty that has led to a higher work load at Royal North Shore that numbers alone do not reflect, nor tell the whole story.⁵²⁸

NSW Health perspective

- 5.59** One year after the hospital's opening, the committee asked NSW Health about the impact it has observed in demand at Royal North Shore Hospital over that time.
- 5.60** Implicitly acknowledging the increased demand on Royal North Shore, Ms Willcox indicated that the LHD's health planners and modellers expected to observe some 'reversal of flow' over time, reflecting a change in doctors' referrals and patient decisions to utilise the Northern Beaches Hospital rather than travelling to Royal North Shore. She advised that, 'We are starting

⁵²⁷ Submission 200, NSW Nurses and Midwives' Association, p 35.

⁵²⁸ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 21.

to see that, which may signal a sign of confidence and people being more aware of their new local hospital'.⁵²⁹ Ms Pierce added that the ambulance data (referred to in paragraph 5.45) is also an indication of this reversal of flow.⁵³⁰

5.61 Following the November hearing NSW Health quantified this reversal for the committee:

Since the opening of Northern Beaches Hospital in October 2018, acute admissions to Royal North Shore (for people from the Northern Beaches) has reduced by approximately 23 per cent. This reduction is in line with health service planning projections.⁵³¹

The future of Mona Vale Hospital and other local health services

5.62 In many cases the views of the Northern Beaches and Pittwater community groups with regard to the Northern Beaches Hospital were indivisible from their unhappiness and anger about the closure of acute care services at Mona Vale Hospital. This unhappiness is reflected throughout this report, particularly in the first section of this chapter. The committee now turns to the present operations and future operations at the Mona Vale site, and beyond that, the LHD's work to build the network of services across the Northern Beaches area. The various services that will comprise the redeveloped Mona Vale Hospital site are set out in paragraph 1.8.

Community and other perspectives

5.63 A key concern that emerged during the inquiry related to the capacity of the Urgent Care Centre, which as noted in chapter 1 provides treatment at no cost for minor injuries and illnesses such as minor fractures, infections, rashes, burns and sports. There was a strong view among local community representatives that this should be significantly upgraded to a level 3 emergency department.

5.64 While Mr Thomas of the Save Mona Vale Hospital Community Action Group expressed appreciation for the Mona Vale services targeting the older population including rehabilitation and palliative care, he called for a greater range of acute care services to be provided at the site, most notably a level 3 emergency department. This would, he argued, enable the substantial emergency needs of the Pittwater and beaches communities to be addressed without having to travel the substantial distance to Northern Beaches Hospital discussed earlier in this chapter.⁵³²

5.65 Mr Thomas told the committee that the Urgent Care Centre 'is not an emergency department; it is a medical centre'. While regarding it as meeting important needs, he insisted on the provision of an emergency department, saying 'It is far enough away and access is a big enough problem' to justify it.⁵³³

⁵²⁹ Evidence, Ms Willcox, 5 November 2019, p 38.

⁵³⁰ Evidence, Ms Pearce, 5 November 2019, p 38.

⁵³¹ Answers to questions on notice, NSW Health, received 6 December 2019, p 6.

⁵³² Evidence, Mr Thomas, 26 August 2019, pp 37-38.

⁵³³ Evidence, Mr Thomas, 26 August 2019, p 35.

5.66 Likewise, the Palm Beach and Whale Beach Association acknowledged the Urgent Care Centre and its staff 'as providing a very good service', with over 50 patients treated per day. Nevertheless, the Association echoed the Action Group's call for the centre to be upgraded to a level 3 emergency department, arguing that this 'should be available to the residents of Pittwater at Mona Vale (12 kms away) rather than at NBH (30 kms away).'⁵³⁴ The Association further proposed that even with the Urgent Care Centre's recent nominal upgrade to a level 1 emergency department, 'The level of care is unacceptable in metropolitan Sydney. It is the equivalent to a level 1 emergency department in a small country town'.⁵³⁵

5.67 Mr Thomas reported that there were some 11,000 names on the latest petition for the reinstatement of a level 3 acute services hospital on the Mona Vale site and estimated that in all, the Save Mona Vale Hospital group had collected over 50,000 signatures of people seeking this change.⁵³⁶ Challenged as to whether there are sufficient patients in the area to validate that investment of health funding, Mr Thomas maintained that the operating catchment of the Northern Beaches Hospital justifies the provision of enhanced services at Mona Vale:

You are ignoring the fact that it is not a Northern Beaches catchment. It is a catchment that extends to Chatswood, as far as St Ives, Pymble, Turramurra and Gordon. It is a very significant catchment in this hospital. There are enough patients. In fact, that is unquestionably not the problem. With the population strategy [for the area] it is inevitable.⁵³⁷

5.68 Mr Thomas acknowledged the recent enhancements of CT scans and ultrasounds that the Minister agreed to for the Urgent Care Centre in response to the community's activism, but nevertheless, like the Palm Beach and Whale Beach Association, he observed that 'a level 1 emergency department is the basic of the basics'.⁵³⁸ Asked whether the Urgent Care Centre is now actually operating as a level 1 emergency department, he responded by highlighting the range of significant enhancements required to have the hospital function at an appropriate level:

Calling a cat a dog does not change what it actually is. The reality is that it is an Urgent Care Centre, and for what an Urgent Care Centre is supposed to be, it is an Urgent Care Centre ... my belief is that people want their emergency department back. You cannot have a proper emergency department unless you have acute services supporting it; you cannot have it unless you have got theatres; you cannot have it unless you have got proper pharmacy and proper radiology. It just does not work. It is not an emergency department.⁵³⁹

5.69 Other stakeholders such as the NSW Nurses and Midwives' Association appreciated the issues at stake for the residents of the Northern Beaches. It noted their substantial dependence on the Northern Beaches Hospital⁵⁴⁰ and observed with some empathy the downgrading of service provision to which the community has had to adjust:

⁵³⁴ Submission 111, Palm Beach and Whale Beach Association, p 6.

⁵³⁵ Submission 111, Palm Beach and Whale Beach Association, p 5.

⁵³⁶ Evidence, Mr Thomas, 26 August 2019, p 30.

⁵³⁷ Evidence, Mr Thomas, 26 August 2019, p 43.

⁵³⁸ Evidence, Mr Thomas, 26 August 2019, p 39.

⁵³⁹ Evidence, Mr Parry, 26 August 2019, p 39.

⁵⁴⁰ Submission 200, NSW Nurses and Midwives' Association, p 35.

This would and has been a significant shift for the local community. An [emergency department] that previously averaged approximately 80 plus presentations per day (including a number of children), with approximately half of these presentations requiring some form of continued care and/or admission, to that of only having access to basic care or limited stabilisation prior to transfer to another hospital, is a seismic change.⁵⁴¹

5.70 Others who expressed concerns about the level of care provided at the Urgent Care Centre and instead strongly preferred a level 3 emergency department included Dr Jonathan King, Dr Suzanne Daly.⁵⁴² Among the many community members who argued for the reinstatement of higher level emergency care at Mona Vale were Mr David Bartolo, Ms Janine Clark, Ms Emily Ashton, Mr Geoff Horsnell and Ms Sharon Horsnell, along with numerous submission authors who requested that their names be suppressed.⁵⁴³

5.71 The Palm Beach and Whale Beach Association further argued that the present and intended constellation of services at the Mona Vale site should not be referred to as a hospital but rather a campus:

The focus of the Mona Vale "Hospital" now is to provide aged care, rehabilitation, palliative care and community health. It has a complementary role to the NBH. However, this by definition is NOT a hospital. A hospital must have an Emergency Department, medical and surgical beds and operating theatres. It is misleading to call Mona Vale Hospital a hospital. This gives the community a false sense of security. The MVH site should be called the Mona Vale Health Campus.⁵⁴⁴

5.72 In addition, it called for the Mona Vale site to be retained for exclusive use by public health services and not sold or leased for private health services.⁵⁴⁵ Others who called for the site to be retained included Dr Jonathan King, Mr Geoff Horsnell and Ms Sharon Horsnell, and the author of Submission 13.⁵⁴⁶ Those who called for the retention of Manly Hospital for public use included Mrs Ann Sharp, who advocated that it be retained for community health purposes, noting that its location and surrounds are well suited to rehabilitation and mental health.⁵⁴⁷

NSW Health perspective

5.73 Throughout the inquiry, the NSLHD's strong message to the committee was that both the Northern Beaches Hospital and the Mona Vale Hospital are part of a network of services across the LHD, planned and operated in an holistic way. Consistent with this, the NSLHD's website

⁵⁴¹ Submission 200, NSW Nurses and Midwives' Association, p 34.

⁵⁴² Evidence, Dr King, 23 September 2019, p 2; Evidence, Dr Daly, 23 September 2019, pp 4-5.

⁵⁴³ Submission 146, Mr David Bartolo, p 1; Submission 156, Ms Janine Clark, p 1; Submission 171, Ms Emily Ashton, p 1; Submission 219, Mr Geoff Horsnell and Ms Sharon Horsnell, p 2. See also, for example, Submission 40c, Name suppressed, p 1; Submission 23, Name suppressed, p 23; Submission 72, Name suppressed, p 1; Submission 73, Name suppressed, p 1; Submission 186, Name suppressed, p 1; Submission 122, Name suppressed, p 1.

⁵⁴⁴ Submission 111, Palm Beach and Whale Beach Association, p 5.

⁵⁴⁵ Submission 111, Palm Beach and Whale Beach Association, p 5.

⁵⁴⁶ Evidence, Dr King, 23 September 2019, p 2; Submission 219, Mr Geoff Horsnell and Ms Sharon Horsnell, p 2; Submission 13, Name suppressed, p 1.

⁵⁴⁷ Submission 161, Mrs Ann Sharp, p 1.

indicates that the Mona Vale Hospital 'services are meeting the changing needs of the community and are part of a new network, including Northern Beaches Hospital and the three community health centres at Seaforth, Mona Vale and Brookvale'.⁵⁴⁸

- 5.74** Ms Willcox spoke of the Northern Beaches Hospital as part of 'a package of services' for the community being provided from the Northern Beaches Hospital, Mona Vale and Royal North Shore sites that cater to the range of acute and subacute needs across the community. She also spoke of the transformation of the Mona Vale site and the services currently or soon to be available there (as documented in chapter 1):

The Mona Vale campus too has been undergoing a transformation. For the first time on the Northern Beaches a 10-patient inpatient palliative care unit is under construction and also a 10-bed geriatric unit. These new inpatient units will be accompanied with the current rehabilitation and community health services already on campus as well as a helipad, a new ambulance station and an Urgent Care Centre for when the community has minor illnesses.⁵⁴⁹

- 5.75** In November 2019 Ms Willcox provided further information about the LHD's work in respect of community based services through to high level acute care:

Of course there is also the Brookvale Community Health Centre, which is a brand-new state-of-the-art facility providing everything from oral health, podiatry, mental health. It is nicely located at the transport node in the shopping centre. With Northern Beaches Hospital in the network of the local health district and its connections to Royal North Shore, the community-based services and Mona Vale, it is hoped that the community will see that they have a very strong network of services right through to intensive care services.⁵⁵⁰

- 5.76** Again speaking holistically, Ms Willcox advised the committee of the networked intent of the broader redevelopment project led by NSLHD for the area (see paragraph 1.6):

I think what we are seeing as part of this redevelopment is a package of services—a new modern hospital that is able to look after more acute and complex patients, a campus at Mona Vale to care for subacute needs of the community, and the ongoing referral patterns to the Royal North Shore remain for patients that are very, very unwell.⁵⁵¹

Committee comment

- 5.77** Notwithstanding our concerns about deficits in some services at the Northern Beaches Hospital and about the public private partnership itself, as documented in other chapters of this report, the committee acknowledges the expansion of specialty medical services at the hospital that were not previously available in the Northern Beaches area.

⁵⁴⁸ Northern Sydney Local Health District, 'Mona Vale Hospital: Future Health Care Services' (19 December 2019), <https://www.nslhd.health.nsw.gov.au/Hospitals/MonaVale/mvredevelopment>.

⁵⁴⁹ Evidence, Ms Willcox, 26 August 2019, p 12.

⁵⁵⁰ Evidence, Ms Willcox, 5 November 2019, p 37.

⁵⁵¹ Evidence, Ms Willcox, 26 August 2019, p 12.

- 5.78** At the same time, the committee recognises that while the Northern Beaches area as a whole has benefited significantly in this respect, there has been a trade off for the residents of the Pittwater Peninsula and other coastal areas, who no longer have acute care services close to their homes. As one stakeholder pointed out, this represents a seismic change for those communities, and the committee appreciates that community members are angry and apprehensive at their loss and at the risks to life and health that flow from it. Their anger and apprehension has of course been compounded by the lengthy and at times veiled decision making processes about both the Northern Beaches and Mona Vale Hospitals, as well as the very poor experience of the new hospital's opening. The strength of feeling about protecting the health of community members, especially in the event of emergencies, cannot be underestimated. No doubt the NSLHD is very much aware of the intensity of community members' views on these issues.
- 5.79** The committee recognises the merits of the holistic, networked approach that the NSLHD is taking to service delivery across its catchment area within the context of the finite health dollar of the LHD and across the state. Nevertheless, it is very clear that community concern about the need for enhanced emergency care within the Mona Vale area remains strong. The committee considers that the NSW Government should take immediate steps to engage directly with Northern Beaches state MPs and other community leaders and stakeholders to examine the ways and means by which to restore a public level 3 emergency department to the Mona Vale Hospital as soon as possible.

Recommendation 9

That the NSW Government take immediate steps to engage directly with Northern Beaches state Members of Parliament, community leaders and other stakeholders to investigate the ways and means to restore a public level 3 emergency department to the Mona Vale Hospital as soon as possible.

- 5.80** As outlined in paragraphs 1.8 and 1.9 of the report, NSW Health and the North Sydney Local Health District have publicised widely the medical and health services currently available at the Mona Vale Hospital site. However, it is not clear that members of the community fully appreciate what is being promoted as currently available from the Mona Vale Hospital site. To help to restore community confidence, the committee believes that an audit should be undertaken by NSW Health on the complete range of medical and health services on the Mona Vale Hospital site, to confirm that what is currently available accords precisely with what has been produced in both written and electronic form and is in the public domain. Further, that information regarding the services be continuously updated as they develop and evolve.

Recommendation 10

That NSW Health undertake an audit on the complete range of medical and health services on the Mona Vale Hospital site to confirm that what is currently available accords precisely with what has been produced in both written and electronic form and is in the public domain. Further, that information regarding the services be continuously updated as the services develop and evolve.

- 5.81** As noted above, the committee does recognise the networked approach that is used to deliver health and medical services. The committee appreciates the long and successful history of the Mona Vale Hospital in delivering high quality medical and health services to the residents of the central and northern parts of the Peninsula. It is particularly clear from the evidence to the inquiry that the residents of these parts of the Northern Beaches want the Mona Vale Hospital site to flourish and expand its range of medical and health services. To this end, the committee believes that NSW Health and the North Sydney Local Health District should, on an ongoing basis, positively consider opportunities to expand both the range and availability of medical and health services that are offered at the Mona Vale Hospital.

Recommendation 11

That NSW Health and the North Sydney Local Health District, on an ongoing basis, positively consider opportunities to expand both the range and availability of medical and health services that are offered at the Mona Vale Hospital.

- 5.82** Of course, as the faith of the public and general practitioners rebuilds, the community will more readily utilise the services at the new hospital. There is evidence that the increased demand placed on Royal North Shore with the advent of the Northern Beaches Hospital is beginning to abate, and this should continue to reduce to an appropriate equilibrium.
- 5.83** In the committee's view, the LHD must monitor over time the effectiveness of the new hospital, and that of the Mona Vale services, in meeting the evolving needs of each of the various communities of their catchment area, especially with respect to emergency care. As a critical adjunct to this monitoring, the committee considers that the LHD must determine how it will communicate, on an ongoing basis, its findings to those communities, beyond the current limited Bureau of Health Information data that is published quarterly. In chapter 2 the committee highlighted the imperative to rebuild trust within the community, through transparency and engagement. Once again transparency and effective engagement will be critical, but this time it is the local health district rather than Healthscope which must take the lead.

Recommendation 12

That the Northern Sydney Local Health District monitor over time the effectiveness of both the Northern Beaches Hospital and the Mona Vale Hospital in meeting the health needs of the communities they serve, including for emergency care. Further, that it establish a mechanism, beyond the current limited Bureau of Health Information data published quarterly, for ongoing reporting to communities, for the purposes of transparency, engagement and building trust.

- 5.84** More generally, the committee recommends that NSW Health make full and proactive use of its ability to adjust the activity profile of the Northern Beaches Hospital according to the

community's evolving needs, both via the 'annual notice' process documented in paragraph 1.31, and via renegotiation of specific aspects of the deed.

Recommendation 13

That the Northern Sydney Local Health District make full and proactive use of its ability to adjust the activity profile of the Northern Beaches Hospital according to the community's evolving needs, both via the 'annual notice' process and renegotiation of specific aspects of the deed.

- 5.85** In the meantime, it is clear to the committee that timely and convenient transport to the Northern Beaches Hospital is essential. We have not received sufficient evidence to make conclusions or recommendations about ambulances, but it is clear that a direct bus service from the Pittwater Peninsula must be established.
- 5.86** The committee considers that as a first step in building the community's trust, the LHD and Healthscope should make representations on behalf of the Pittwater and Northern Beaches communities to Transport for NSW seeking the establishment of a regular direct bus service from Palm Beach on the Pittwater Peninsula to the Northern Beaches Hospital, via the Wakehurst Parkway. In the committee's view it is reasonable that this service be established by mid 2020.
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Recommendation 14

That the Northern Sydney Local Health District and Healthscope formally request, on behalf of the residents of the Northern Beaches, that Transport for NSW establish by mid 2020 a regular direct bus service from Palm Beach on the Pittwater Peninsula to the Northern Beaches Hospital via the Wakehurst Parkway.

- 5.87** The committee further considers that the NSLHD and Healthscope should formally request, on behalf of the residents of the Northern Beaches, that Transport for NSW look at alternative options to widening the Wakehurst Parkway given flooding and other environmental constraints.
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Recommendation 15

That the Northern Sydney Local Health District and Healthscope formally request, on behalf of the residents of the Northern Beaches, that Transport for NSW look at alternative options to widening the Wakehurst Parkway given flooding and other environmental constraints.

- 5.88** Like numerous inquiry participants, the committee considers that the Mona Vale campus should be retained for public use only. In addition, the committee is aware that a hospice for adolescents and young adults is being built on the former Manly Hospital campus, with consultation
-

regarding the establishment of a health and wellbeing precinct on the site underway as of September 2019.⁵⁵² The committee shares the view of inquiry participants that this prime piece of land should also remain in public hands, so that like Mona Vale, it is protected for the future health and medical needs of the community. In addition, we consider that 99 year or other similar long term leasing arrangements should not be entered into for the sites.

Recommendation 16

That the NSW Government ensure that the land on which the Mona Vale and Manly Hospitals sit always remain in public hands for health and medical related activities, and that 99 year or other similar long term leasing arrangements not be entered into for the sites.

- 5.89** The committee further considers that the NSW Government should cease demolition of the Mona Vale Hospital main building after asbestos removal is complete and retain this public asset for future use.

Recommendation 17

That the NSW Government cease demolition of the Mona Vale Hospital main building after asbestos removal is complete and retain this public asset for future use.

⁵⁵² Property NSW, 'Former Manly Hospital Site', <https://www.property.nsw.gov.au/former-manly-hospital-site>.

Chapter 6 Patient records and interface with local health services

Two specific issues relating to patient records emerged as the focus for discussion during the inquiry: the functioning of the Northern Beaches Hospital's (NBH's) electronic medical records system and problems with the discharge summaries sent to general practitioners to facilitate continuity of care. Related to the second were participant concerns about the Northern Beaches Hospital's interface with general practitioners, other hospitals and community based services. This chapter explores in turn the evidence that the committee received in respect of each of these matters.

Electronic medical records system

- 6.1** A significant issue that emerged in evidence before the committee was the very substantial problems arising from the Telstra Health electronic medical record (EMR) system purchased for the hospital. Rather than using the Cerner PowerChart system employed across the state's public hospital system, Healthscope elected to engage a different electronic medical records system incompatible with that of public hospitals. As noted in chapter 3, the committee heard that critical deficiencies emerged as soon as the hospital opened with regard to the Telstra Health EMR that continued for a long period.
- 6.2** Numerous participants pointed out the central role that EMRs play in facilitating safe clinical care and the concomitant threat to safety arising from the hospital's choice of EMR system, particularly in that it did not allow information to be shared between the Northern Beaches Hospital and those comprising the public system.
- 6.3** The Australian Salaried Medical Officers' Federation (ASMOF) described the hospital's EMR system as 'representing a risk to patient care' with 'poor functionality', going so far as to call it 'dysfunctional' and listing its many challenges for the hospital's clinical staff:

Challenges associated with the hospitals Electronic Medical Record system, provided by Telstra Health, are having a big impact on the day to day work of our members, and represent a risk to patient care ... [M]edical staff must now navigate multiple systems. Members report the EMR system has poor functionality, is frustratingly slow, and is prone to failure. It does not support the kind of team based care that is delivered in a public hospital, and instead appears to have been developed with individual clinicians in rooms providing care in mind ... Most alarmingly, the dysfunctional system is incompatible with public systems, which is affecting the free flow of essential patient information which is necessary to provide safe patient care.⁵⁵³

- 6.4** Accordingly, ASMOF proposed that "The provision of health IT has been contracted out to the lowest bidder, and they have delivered a subpar service."⁵⁵⁴ It called for urgent action be taken to ensure that the EMR system is functional and compatible with NSW public hospitals' systems.⁵⁵⁵ Others who attested to the substantial difficulties arising from this system included Unions NSW, the Health Services Union (HSU) and the NSW Nurses and Midwives'

⁵⁵³ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 18.

⁵⁵⁴ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 18.

⁵⁵⁵ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 19.

Association,⁵⁵⁶ with Mr Gerard Hayes, Secretary of the HSU, reporting that staff at other hospitals such as Royal North Shore were correspondingly unable to access patient information from the Northern Beaches Hospital.⁵⁵⁷

- 6.5** Dr Jonathan Page, a medical oncologist who had worked at Mona Vale and Manly before moving to Northern Beaches Hospital and later resigned over concerns for patient safety, told the committee that because the new hospital's EMR did not communicate with public hospital patient records systems, clinical staff were 'flying blind', with the system placing patients 'in grave danger'.⁵⁵⁸ He further elucidated how problematic this lack of access to patient records was, especially for junior doctors:

It was particularly a problem for the junior staff, because they were the ones admitting patients to the ward. Normally, in any other public hospital, they would go online and get all the background they needed, all the documentation that they needed to ensure the care was the best possible. That is my concern; we cannot give people the best possible care. We could not confirm medications, medication reactions, the anaesthetists could not confirm patients' operative details in the past—none of this. We had no online access to the public hospital pathology service. We could not look at the scans that our patients had had in the past. There was simply no answer.⁵⁵⁹

- 6.6** Asked whether he believed mistakes occurred because doctors did not have access to medical records, Dr Page responded, 'I am sure of it ... There would have been mistakes through ignorance, delayed appropriate care, incorrect care'.⁵⁶⁰ He gave an example in respect of an older female patient who was admitted to the hospital with a severe lung infection. As she was delirious she could give no medical history and her patient records were inaccessible via the EMR. When she came out of her delirium she happened to mention Dr Page to her treating team, who asked him to see her and he subsequently identified her as someone he had treated eight years earlier for a very aggressive lymphoma. She thus had an imperfect immune system and was at risk of not responding to basic antibiotic therapies, requiring a completely different assessment and likely a very different treatment than that she had received. He told the committee that while she was treated in good faith by the team that cared for her, potentially she could have died.⁵⁶¹

- 6.7** Asked whether he had been given any explanation from Healthscope as to why the EMR system was not functional prior to the hospital opening, Dr Page responded that despite many people asking both senior administrators and the IT department, no explanation was ever forthcoming. In addition, he highlighted to the committee what he saw as delayed and highly inadequate interim solutions to these serious problems. Initially the hospital's solution for the oncology clinic was to have the medical librarian at Mona Vale Hospital work through the clinic's patient list and print and fax over perhaps 20 pages per patient, without any guidance about the specific

⁵⁵⁶ Submission 212, Unions NSW, p 7; Submission 107, Health Services Union, p 6; NSW Nurses and Midwives' Association, pp 16, 19 and 40.

⁵⁵⁷ Evidence, Mr Gerard Hayes, Secretary, Health Services Union, 26 August 2019, p 62.

⁵⁵⁸ Evidence, Dr Jonathan Page, Medical Oncologist, 5 November 2019, p 2; see also Submission 233, Dr Jonathan Page, p 1.

⁵⁵⁹ Evidence, Dr Page, 5 November 2019, p 3.

⁵⁶⁰ Evidence, Dr Page, 5 November 2019, p 5.

⁵⁶¹ Evidence, Dr Page, 5 November 2019, p 5.

information being sought.⁵⁶² He told the committee that later, three laptops were provided for the entire hospital by Royal North Shore that were connected to the public EMR system, however '[t]hese may be out of order, unavailable as in use by other clinicians, locked away or just inconvenient for care for our inpatients in ward 6C (sixth floor).'⁵⁶³

6.8 Appearing before the committee in November 2019, one year after the hospital opened, Dr Page told the committee that as of October the system was still problematic but may recently have been addressed.⁵⁶⁴

6.9 Dr Tony Sara, President of ASMOF, shed further light on the problems, telling the committee:

- The patient administration system [PAS] records who was admitted, their diagnosis, details of their relatives and when they were discharged. The Telstra Health EMR, which apparently works well at St Vincent's Hospital, lacks integration with the PAS.
- The local health district wide Cerner Health Information Exchange [Cerner HIE], which was meant to go live in October 2018, operates over the top of Cerner PowerChart product and would enable read only access by Northern Beaches staff to discharge summaries, pathology results and some patient notes. Until July 2019 that system was unsafe in the information it provided.
- The capacity at the back end of the Telstra Health system was also inadequate, highlighted by its tendency to crash.⁵⁶⁵

6.10 An additional issue brought to the committee's attention by Mr Hayes of the HSU was that the hospital's pathology records system was disk operating system (DOS) based and thus archaic, slow and incompatible with the hospital's other records systems, again causing widespread delays in respect of patients.⁵⁶⁶ Further, the NSW Nurses and Midwives' Association highlighted the lack of training for staff in using the hospital's EMR systems when the hospital opened.⁵⁶⁷

6.11 Dr Sara proposed that the problems with the Telstra Health product could have been avoided if Healthscope had not opted to reduce costs in its choice of system and had consulted properly with medical staff as to how it should be configured:

Healthscope made a decision to choose that—I suspect on the basis of costs, because Cerner PowerChart is expensive. You pay for what you get. Could that reflect the profit motivation, that they chose a cheaper product? I suspect it does ... It was not configured by Healthscope. They chose not to configure the product. They chose not to consult the doctors as to how this product should be configured; they just said, "Whatever you want to do is fine".⁵⁶⁸

⁵⁶² Evidence, Dr Page, 5 November 2019, p 3.

⁵⁶³ Submission 233, Dr Jonathan Page, p 1.

⁵⁶⁴ Evidence, Dr Page, 5 November 2019, p 3.

⁵⁶⁵ Evidence, Dr Tony Sara, President, Australian Salaried Medical Officers' Federation of NSW, 26 August 2019, p 56.

⁵⁶⁶ Evidence, Mr Hayes, 26 August 2019, p 62.

⁵⁶⁷ Submission 200, NSW Nurses and Midwives' Association, pp 16 and 19.

⁵⁶⁸ Evidence, Dr Sara, 26 August 2019, p 57.

Discharge summaries

- 6.12** General practitioners highlighted to the committee their strong dissatisfaction with the hospital's provision of patients' discharge summaries. The committee heard that across the public hospital system it is standard practice that these are written by junior doctors at the time the patient is discharged and emailed quickly to GPs. Discharge summaries document the 'story' of the patient's hospital stay from the point of admission, including tests and investigations conducted, results, how the patient was and is to be managed, along with the discharge plan in respect of medication and any outpatient appointments.⁵⁶⁹
- 6.13** Two longstanding local general practitioners, Dr Caroline Rogers and Dr Elana Roseth, advised the committee that while these documents are critical to the provision of continuous care to individual patients, they have been plagued with problems not just in the early period of the hospital's opening but for many months since. Two particular issues emerged: that they were rarely provided by the hospital; and that they were very poor in quality. Dr Rogers told the committee that when she does not have an adequate discharge summary about a patient, 'it is very frustrating, it is time consuming and it often means that we are providing inadequate care.'⁵⁷⁰ Similarly, Dr Roseth noted that within the context of standard 15 minute GP consultations, ready access to key patient information is critically important.⁵⁷¹
- 6.14** Dr Roseth described the quality of many summaries emanating from the Northern Beaches Hospital as 'appalling', with many investigations, diagnoses or procedures omitted.⁵⁷² Further, she suggested that they are not compliant with the standards set by the Australian Digital Health Agency because their text is not able to be copied and pasted and they are in a format not able to be uploaded to My Health Record.⁵⁷³
- 6.15** Beyond this, both doctors highlighted that they rarely received discharge summaries from the hospital. Dr Rogers gave an example of a patient who, while admitted at Northern Beaches for orthopaedic surgery, had an unexpected cardiac event and was prescribed medication accordingly. Eleven days after being discharged the woman visited Dr Rogers, who called the hospital seeking the discharge summary, whereupon staff confirmed that it had not yet been written. In its absence, Dr Rogers was sent a copy of the patient's extensive nursing notes.⁵⁷⁴ She provided a further example of how the Northern Beaches Hospital works in this respect, compared with a public hospital:

I had a patient discharged from one of the rehab beds at Mona Vale Hospital last week. The evening before she was discharged I received a phone call from the consultant who had been involved in her care. We spoke for 20 minutes. By midday the next day I had the electronic discharge on my computer.

I can give you an example of a patient who was sent home to die from Northern Beaches Hospital two weeks ago. My colleague tried to phone the geriatrician involved. Nobody ever got back to her. We never received a discharge summary for that patient. She was

⁵⁶⁹ Evidence, Dr Caroline Rogers, General Practitioner, 23 September 2019, p 11.

⁵⁷⁰ Evidence, Dr Rogers, 23 September 2019, p 15.

⁵⁷¹ Evidence, Dr Elana Roseth, General Practitioner, 23 September 2019, p 12.

⁵⁷² Submission 44, Dr Elana Roseth, p 2.

⁵⁷³ Evidence, Dr Roseth, 23 September 2019, p 10.

⁵⁷⁴ Evidence, Dr Rogers, 23 September 2019, p 15.

being sent home. As a GP, when a patient is sent home to die, it is a significant resource because you are going to be doing a lot of home visits and a lot of care. We were never told by the hospital that this patient was coming home until the daughter came in with the discharge summary and said, "My mum's at home now."⁵⁷⁵

- 6.16** Dr Roseth explained that prior to the Northern Beaches Hospital she would routinely be emailed both notifications of her patients' admissions and their discharge summaries, such that she was proactively informed about all her patients and able to track those who are vulnerable, noting that this is an essential aspect of GPs' work, for example in respect of patients with dementia.⁵⁷⁶ However, Dr Roseth told the committee that she now 'rarely' receives an electronic discharge summary, and that 'if you are lucky, the patient comes with a hard copy'.⁵⁷⁷ While there have been improvements, as at September 2019 she was still not getting important information in respect of her most vulnerable patients:

I do admit that the discharge summaries from Emergency have become much better and much more reliable but it is not that necessary to know if somebody has had a laceration and has been sutured. That is not that important. But if somebody has had a heart attack or a suicide attempt and ended up in intensive care, they are the sorts of patients I need to know about and that is the sort of information I am not getting.⁵⁷⁸

- 6.17** Dr Roseth expressed great frustration that despite the hospital being made aware of the problem when it finally first met with local GPs in late March 2019, and having given them an undertaking it would be addressed, as of July it was not, and even in September 2019, discharge summaries were still not being reliably received.⁵⁷⁹ She advised the committee that Healthscope representatives had explained that the Northern Beaches Hospital was using an 'opt in' system employed at its other hospitals, in which patients indicated that they wished their GP to receive a discharge summary. In her view it was 'patently absurd' that such a system operate at the new hospital.⁵⁸⁰ She also questioned the robustness of the hospital's systems to minimise errors, following an incident in which over 200 hard copy discharge summaries were sent incorrectly to her surgery.⁵⁸¹ She stated, "This was a breach of patient confidentiality and it makes me concerned that the processes for managing information are substandard."⁵⁸²
- 6.18** In addition to the 'opt in' issue, Dr Rogers understood these significant problems as having another contributing factor: that the hospital's patient records system was not compatible with the majority of general practitioners' IT systems, so the discharge summaries were simply not being sent.⁵⁸³ A further factor noted by Dr Roseth, who relayed it from a specialist clinician recently departed from the hospital, was that Northern Beaches has insufficient numbers of junior doctors to complete the summaries, and inadequate support for them:

⁵⁷⁵ Evidence, Dr Rogers, 23 September 2019, p 11.

⁵⁷⁶ Evidence, Dr Roseth, 23 September 2019, p 12.

⁵⁷⁷ Evidence, Dr Roseth, 23 September 2019, pp 10 and 12.

⁵⁷⁸ Evidence, Dr Roseth, 23 September 2019, p 12.

⁵⁷⁹ Evidence, Dr Roseth, 23 September 2019, p 12; see also submission 44, Dr Elana Roseth, p 1.

⁵⁸⁰ Evidence, Dr Roseth, 23 September 2019, p 12.

⁵⁸¹ Evidence, Dr Roseth, 23 September 2019, pp 13-14; see also submission 44, Dr Elana Roseth, p 2.

⁵⁸² Evidence, Dr Roseth, 23 September 2019, p 10.

⁵⁸³ Evidence, Dr Rogers, 23 September 2019, p 11.

I talked to a specialist last week who took leave from the hospital because she said to me she cannot work there anymore, she cannot do it anymore, and she said to tell you that the reason for the ... issue with the quality of the discharge summaries ... [is that] there are just not enough junior medical staff and they are just not being properly supervised and supported.⁵⁸⁴

- 6.19** Dr Roseth suggested that underlying the IT and junior doctor factors was that Healthscope is not accustomed to providing discharge summaries within the context of the private hospital system. Those that do emanate from private hospitals are often written by allied health practitioners, and are less critical to GPs because the care provided there differs from that provided at public hospitals. She stated, 'It is the heart attacks, the suicides and the long admissions that we need the discharge summary for.'⁵⁸⁵
- 6.20** Dr Rogers indicated that she also understood that insufficient resourcing of junior doctors was a contributor,⁵⁸⁶ and that all NSW Health hospitals provide electronic patient discharge summaries for all patients.⁵⁸⁷
- 6.21** Numerous community members raised concerns about discharge summaries in their submissions to the inquiry. One individual told the committee about their 9 month old baby's repeated visits to the Northern Beaches emergency department with breathing difficulties four times in a five week period. The baby was admitted to hospital on the third and fourth presentations. On the fourth, the treating doctor 'was concerned as to why this baby was sent home previously without [an] effective treatment plan' and also commented that there were no discharge summaries available for the child's previous visits.⁵⁸⁸
- 6.22** Another patient told the committee of a significant omission from her discharge summary following the emergency removal of her gall bladder in June 2009:
- The day before I was due to leave the hospital ... a Dietician interviewed me in my room and told me there were serious considerations re my diet and that I had to be very careful what I ate, particularly within the first 2 weeks after the operation. She said she would give me a list of foods etc to avoid and that would be included with the Discharge Summary. When I left the hospital I looked at the discharge documentation and could not find anything about my diet.⁵⁸⁹
- 6.23** Another described leaving hospital with a discharge summary that included another patient's confidential results, then after being sent home for the night and returning the next day as recommended, receiving a second discharge summary that inaccurately stated the patient stayed overnight in the short stay unit.⁵⁹⁰
- 6.24** Speaking more broadly than discharge summaries, another patient attested to 'failures to follow standard procedures such as safe discharge, adequate risk assessment for falls/heart attack and

⁵⁸⁴ Evidence, Dr Roseth, 23 September 2019, p 15.

⁵⁸⁵ Evidence, Dr Roseth, 23 September 2019, pp 13 and 16.

⁵⁸⁶ Evidence, Dr Rogers, 23 September 2019, p 16.

⁵⁸⁷ Evidence, Dr Rogers, 23 September 2019, p 13.

⁵⁸⁸ Submission 197, Name suppressed, p 1.

⁵⁸⁹ Submission 43, Name suppressed, p 1.

⁵⁹⁰ Submission 201, Name suppressed, pp 1-2.

lack of care for chronic, complex and vulnerable patients and failure to create adequate patient file notes'.⁵⁹¹

- 6.25** The impact of both the discharge summary and EMR difficulties on non-hospital services within the LHD such as community nursing was highlighted in a submission to the committee, written in July 2019:

One example of the problems here – when patients are discharged from hospital and arrangements are made for the community nurses to visit the patients at home they used be able to access the discharge summaries directly and any further information they needed as necessary. Now they might get sent a discharge summary several days after they start seeing the patient. Also they can't access the information in the hospital's system about the patient. A solution to this was promised even before the hospital opened but nothing has been delivered to date.⁵⁹²

- 6.26** A final example provided by an individual concerning his wife's care also looked beyond the specific issue of discharge summary to quality discharge planning, and highlighted the impact that poor planning can have on a patient's health and wellbeing:

Both of my wife's visits were disappointing. The first time she presented with breathing difficulties and chest pain. She underwent a number of tests but was discharged with no treatment or follow-up plan. A few weeks later she was sent for chest x-rays by her specialist, and the radiologist found blood clots in her lungs, and immediately sent her back to the hospital.

Once again she had many tests (including repeating the x-ray) and was at first told that no treatment was necessary. On expressing concern, she was given treatment and discharged. Once again she was not told what to expect in the future, and no follow-up consultations were arranged. She had to consult our GP to get a referral to a specialist. This process took considerable time, and a number of weeks were lost before a full treatment plan was in place.

Both times she left the hospital without a full treatment plan, and without being told what to expect in the future or how to proceed. As her symptoms had not reduced, she was extremely anxious, and had little confidence that her illness had been addressed. As she then had delays before she could see a specialist outside the hospital, she felt isolated and panicky.

Overall, her experience was that the hospital had no interest in her long term care, but simply wanted to get her out of the hospital as quickly as possible.⁵⁹³

- 6.27** The Sydney North Health Network, whose role is to increase the efficiency and effectiveness of medical services in the community and whose membership comprises a range of health professionals including GPs, allied health providers and primary health nurses, also highlighted problems with discharge summaries. The Network verified they are 'a major concern' raised by most of the 74 respondents (the majority of whom were GPs) to its two recent calls for feedback

⁵⁹¹ Submission 38, Name suppressed, p 1

⁵⁹² Submission 173, Name suppressed, p 1.

⁵⁹³ Submission 167, Name suppressed, p 1.

regarding the Northern Beaches Hospital, and echoed the fundamental issue that these problems undermine continuity of care.⁵⁹⁴

- 6.28** In addition to the problems identified by Drs Roseth and Rogers above, the Sydney North Health Network reported that the hospital's electronic medical records system only able to communicate with 40 per cent of general practitioners on the Northern Beaches via secure messaging system, with the rest sent by fax or post. It noted that the hospital's steps to provide them with outstanding discharge summaries entailed significant administrative burden on GPs, many of whom had to hire casual staff to file the information (provided in hard copy) appropriately.⁵⁹⁵
- 6.29** The Sydney North Health Network further brought to the committee's attention the corresponding issue of GPs' inability to adequately provide relevant information to the hospital when attempting to refer patients. The Network thus recommended both 'expediting connection to and upload of discharge summaries to My Health Record' and also the continued pursuit of 'solutions to increase two way secure electronic communication between NBH and general practice, to improve patient safety during handover of care.'⁵⁹⁶

Interface with local health services

- 6.30** Closely linked to the issues documented above in respect of electronic medical records and discharge summaries was other evidence the committee received with regard to the Northern Beaches Hospital's interface with other local health services, whether neighbouring hospitals, general practitioners, or community based services. The committee heard that inadequacies in respect of the sharing of information was an important aspect of this, as was broader communication and the need for a more collaborative approach with regard to other stakeholders in the broader local health system.

Other local health district services

- 6.31** ASMOF noted that while the Northern Beaches Hospital's contract summary repeatedly refers to the importance of integration such as an 'integrated hospital', 'integrated health care' and 'integrated services' in its scope and objectives, the union's members working in other parts of the Northern Sydney Local Health District (NSLHD) report 'little evidence of any attempts at integration'. Instead, it suggested, 'They have been left in the dark where there should be strong working relationships, and members believe co-ordination of care is suffering as a result.'⁵⁹⁷
- 6.32** ASMOF observed that the issues with EMRs are an important factor limiting the capacity of Northern Beaches Hospital to integrate effectively into the LHD. In addition, it reported that staff at Royal North Shore and Mona Vale Hospitals are uncertain as to exactly what services are provided at Northern Beaches. It proposed that there is 'a profound lack of communication' between Northern Beaches and other hospitals, along with 'a complete lack of engagement

⁵⁹⁴ Submission 112, Sydney North Health Network, p 4.

⁵⁹⁵ Submission 112, Sydney North Health Network, p 4.

⁵⁹⁶ Submission 112, Sydney North Health Network, p 4.

⁵⁹⁷ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 19.

structures which would be expected of health services working together to deliver truly integrated health care'.⁵⁹⁸ ASMOF quoted a member:

The setup is still less than desirable and there is no co-ordination of care across the district. A huge opportunity has so far been lost. We should be running with the same protocols and same systems (medical records and electronic systems) across the LHD. There should be clinical groupings in each sector that meet regularly to manage care and discuss relevant issues (i.e. a cancer group, a surgical group, a paediatric group etc). NSLHD staff should be on medical appointment committees at NBH. It shouldn't be this private silo working in isolation with staff they can attract. It should be a seamless co-ordination of care between public and private centres. We are their friends and supporters, not their competitors.⁵⁹⁹

- 6.33** Accordingly, ASMOF argued that measures to support the Northern Beaches Hospital's integration into the NSLHD to support the optimal delivery of care are urgently needed, and should include formal consultative processes, joint planning and shared responsibility for outcomes. It recommended that NSLHD and Healthscope take action to integrate the hospital into the district.⁶⁰⁰
- 6.34** The Australian Medical Association (NSW) (AMA (NSW)) also addressed the issue of integration and engagement with key health stakeholders. Ms Fiona Davies, Chief Executive Officer, acknowledged the significant efforts of the Minister for Health and NSLHD to integrate Northern Beaches Hospital much more into the public hospital system network.⁶⁰¹ The Association reported that in the months following the opening of Northern Beaches Hospital, it had noted a 'marked change in the engagement between Healthscope and stakeholders', with the introduction of rolling weekly meetings between Healthscope, AMA (NSW), ASMOF, NSLHD and the Ministry of Health. It commented that while significant progress has been achieved in relation to the issues under discussion, such as safety concerns, junior and senior medical workforce numbers, excessive workloads, night staffing, IT and communications issues, and the availability of policies and procedures, 'many of them could have been avoided had there been better planning and appropriate engagement within the broader public hospital system.'⁶⁰²
- 6.35** Accordingly, the AMA (NSW) recommended that, 'efforts continue to integrate the operation of Northern Beaches Hospital into the operations of the broader public health network, while also recognising and respecting the operation of the private hospital service.'⁶⁰³ Ms Davies highlighted further integration as absolutely critical to the future success of Northern Beaches:

If this is to have a chance of succeeding, health is too complicated to establish standalone entities that do not link in with a network; the demands on our public hospitals and private hospitals are too complex to do that. We have seen that

⁵⁹⁸ Submission 225, Australian Salaried Medical Officers' Federation of NSW, pp 19 and 20.

⁵⁹⁹ Submission 225, Australian Salaried Medical Officers' Federation of NSW, pp 19 and 20.

⁶⁰⁰ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 20.

⁶⁰¹ Evidence, Ms Fiona Davies, Chief Executive Officer, Australian Medical Association (NSW), 23 September 2019, p 20.

⁶⁰² Submission 229, Australian Medical Association (NSW), p 6.

⁶⁰³ Submission 229, Australian Medical Association (NSW), p 7.

recognition that it needs to operate as part of the system and if it does not do that it will fail.⁶⁰⁴

General practitioners

- 6.36** Consistent with their evidence in the previous section, both Dr Roseth and Dr Rogers highlighted to the committee concerns about a lack of consultation and communication with general practitioners on the part of the hospital, with Dr Roseth stating:

The first [concern] is a lack of consultation and communication with general practice. We have had difficulty finding basic information on referral pathways, what specialists and services and clinics are available, and also issues that have been raised by GPs have not really been met with any meaningful response from the hospital.⁶⁰⁵

- 6.37** Dr Roseth reported that despite the centrality of primary care to the health system, and in contrast to the very effective relationship GPs had with Manly and Mona Vale Hospitals, Northern Beaches Hospital did not engage with general practitioners during its first six months of operation. As a result, GPs were unaware what clinics the hospital was running, who they could refer to and how, and what other facilities were available. Their first meeting, on 23 March 2019, occurred on the advocacy of the local primary health network.⁶⁰⁶ Dr Roseth told the committee that the new hospital's response to the breach of privacy discussed earlier was just one example of many direct experiences that suggested a lack of respect for and engagement with GPs:

I have got lots of examples of that where I have tried to engage with the hospital about processes that have not been satisfactory and they do not engage. In one instance, after many days I got called by a publicity officer who told me that she did not understand the clinical context of the problem I had raised. You feel like they have got no acknowledgement of our importance as a kind of integrated health system.⁶⁰⁷

- 6.38** Similarly, Dr Rogers gave a further example she saw as indicative of a lack of engagement with and respect for GPs, in which it took 11 months to have a colleague's name correctly recorded as the GP for her discharge summaries, which was only achieved after contact with the hospital's head of IT.⁶⁰⁸

- 6.39** Moving forward, Dr Roseth called for Healthscope to nurture a better relationship with general practitioners, with due acknowledgement of and communication with them.⁶⁰⁹

- 6.40** Again the Sydney North Health Network verified that these concerns were shared by GPs across the Northern Beaches area, stating that 'Overall the communication with local general practices in the lead up to and since the opening of the hospital has been sub-optimal.'⁶¹⁰ It

⁶⁰⁴ Evidence, Ms Davies, 23 September 2019, p 20.

⁶⁰⁵ Evidence, Dr Roseth, 23 September 2019, p 10; Submission 1, Dr Caroline Rogers, p 1.

⁶⁰⁶ Submission 44, Dr Elana Roseth, p 1.

⁶⁰⁷ Evidence, Dr Roseth, 23 September 2019, p 15.

⁶⁰⁸ Evidence, Dr Rogers, 23 September 2019, p 15.

⁶⁰⁹ Evidence, Dr Roseth, 23 September 2019, p 18.

⁶¹⁰ Submission 112, Sydney North Health Network, p 7.

documented only one information meeting with GPs prior to the hospital's establishment, held in May 2016, then no further communication or consultation via the Health Network until the Network itself published information provided by the LHD in September and October 2018. It went on to advise the committee that since the opening of the hospital, the network has been contacted by local GPs and their support staff on numerous occasions expressing frustration at not being aware of what services were available or how to refer to them.⁶¹¹

6.41 Sydney North Health Network advised the committee that following their request to meet with Northern Beaches Hospital executives to bring GPs' concerns to their attention, a first meeting occurred in December 2018, and has since occurred bi-monthly with the purpose of troubleshooting issues and collaborative development of solutions. The Network reported that one of the first outcomes was the 26 March 2019 meeting with GPs, attended by 78 GPs, and that participants 'were grateful to have received useful, albeit belated information regarding services.'⁶¹²

6.42 The Sydney North Health Network recommended to the committee:

- the establishment of proactive and regular communication from the hospital to local GPs on jointly identified matters of importance via mechanisms to be jointly agreed
- the appointment of a dedicated GP liaison role with a clinical background to support communication regarding individual patients or troubleshooting access issues for GPs.⁶¹³

Community based services

6.43 Community Care Northern Beaches advised the committee of substantial problems in respect of the hospital's discharge planning and referral pathways for people who have received inpatient mental health care. In doing so, it pointed to significant and ongoing difficulties in the interface between community based health services and Northern Beaches Hospital.

6.44 Community Care Northern Beaches provides information, support, advice and guidance to enable people to access health and community services. It told the committee that its interactions with Northern Beaches Hospital occur on an almost daily basis; they are usually patient specific and include discussing and accepting referrals for community care, giving feedback about a client and their wellbeing in the community, supporting a patient while in hospital and planning safe discharge. Community Care Northern Beaches observed that the effectiveness of the hospital/community interface can determine health and wellbeing outcomes for people and their families.⁶¹⁴ Suggesting that the problem is related to resourcing, it highlighted the very serious risks if patients leaving hospital are not well linked to services:

CCNB's experience shows that referral pathways and in-hospital discharge planning is lacking – primarily due to the lack of internal resources. This means that patients do not get referred **and** linked into community care to avoid future hospital admissions or, at worst, early death. This is particularly the case for those people with a mental illness and or those experiencing suicidality.

⁶¹¹ Submission 112, Sydney North Health Network, p 7.

⁶¹² Submission 112, Sydney North Health Network, pp 7-8.

⁶¹³ Submission 112, Sydney North Health Network, p 8.

⁶¹⁴ Submission 205, Community Care Northern Beaches, p 2.

Often the hospital staff display a lack of awareness of the existing community supports available for people and their families and the knowledge and time to link people to the right care following a hospital admission or presentation.⁶¹⁵

- 6.45** Community Care Northern Beaches reported that too often a vulnerable mental health patient will be discharged from the hospital despite an agreed action plan with their service:

Perhaps the most vulnerable situations arise when local police transport a suicidal person to hospital. That person is usually always referred to CCNB. Our Care Coordinator connects with the hospital team and where a person is identified as being at significant risk, the hospital contact agrees on a plan of action, that involves not discharging prior to CCNB meeting the patient and organising community care. There are too many occasions where this simply does not happen. When asked why, the staff often say that they have KPI's to meet or there was nothing the hospital could do for the patient.⁶¹⁶

- 6.46** It furnished a number of patient stories that captured their concerns about their interface with Northern Beaches Hospital:

Jodie

Jodie presented to NBH following a suicide attempt. Four hours later she was discharged with no referral to Seasons Program. Her GP referred Jodie to Seasons three days after she presented to hospital.

Harry

Harry was admitted to NBH. A history of drug and alcohol addiction and depression, Harry was admitted to hospital following a suicide attempt. The hospital Social Worker referred to CCNB's Seasons Program and was told Harry would be in hospital for the week. Harry was discharged the following day (weekend) and died by suicide a day later.

Annetta

Annetta is 79 years old and has complex care needs. She has memory loss, anaemia and lives with hoarding disorder. There is a history of violence in the family. She was admitted to NB Hospital and the CCNB team made contact with the hospital who confirmed that Annetta would be admitted and likely to stay in hospital for a few days. Annetta was discharged back home to a violent situation and with no further referrals or linkages. She was allegedly assaulted by a family member.⁶¹⁷

- 6.47** The committee also heard directly from the mother of a young man who committed suicide after a very brief mental health assessment at Northern Beaches Hospital, with no follow up care arranged:

The Police and Ambulance attended and my son Ben was transported by Police and Ambulance to Northern Beaches Hospital from North Balgowlah in mid June 2019 (I am unsure of the exact date) after threatening suicide.

⁶¹⁵ Submission 205, Community Care Northern Beaches, p 2.

⁶¹⁶ Submission 205, Community Care Northern Beaches, p 2.

⁶¹⁷ Submission 205, Community Care Northern Beaches, p 3.

After being transported to the hospital he was discharged after about 1 hour and he returned home having had no care at the hospital or follow up afterwards.

Unfortunately on the afternoon of July 1 he committed suicide at his home.

I feel that his suicide was a result of improper assessment or treatment at the hospital.

Despite the fact that the statements he made to the Police and Ambulance of his intention to commit suicide made it essential for them to have him admitted.

I know now that the hospital did not follow government policy and procedure which is set in place for these cases.

They just sent him home!

I am devastated that this happened to me and his family and do not wish this to happen to anyone else.⁶¹⁸

- 6.48** These examples resonate with the story reported in the media in January 2020 that a man taken to Northern Beaches Hospital by police because of fears he could be suicidal was released at 1.00 am after an assessment at the emergency department. The man was offered but declined admission and was referred to a community mental health team before he was discharged, but was released without being asked how he would get home. He walked home alone along the Wakehurst Parkway, as estimated journey of two hours, later stating, 'I was left in a situation far worse than before.'⁶¹⁹

- 6.49** A further example in respect of an elderly patient provided by that person's neighbour appeared to indicate that the hospital's problems with discharge planning and referral have not been limited to mental health patients:

I write about the experience of my 91 year old neighbour. She attended hospital via ambulance following a fall.

It took 2 days to finally diagnose her broken ribs, another day to send her home in pain with absolutely no support. No relatives nearby, no way to shop for food and unable to care for herself.

When she was able she sought more help for continued pain and was later sent for X-ray more locally and was diagnosed with a broken shoulder blade.

As a former nurse she was disgusted with her treatment saying that her case was discussed behind a curtain and she was not included.

She does not want to go back there - ever!

Can there please be coordination with support services so that elderly people are not sent home before a support system is in place?⁶²⁰

⁶¹⁸ Submission 222, Name suppressed, p 1.

⁶¹⁹ Julie Cross, 'Northern Beaches Hospital: Mental health patient walked two hours home after 1am discharge', *Manly Daily*, 15 January 2020.

⁶²⁰ Submission 189, Name suppressed, p 1.

- 6.50** Community Care Northern Beaches told the committee that its endeavours to engage the hospital's senior management team to address these issues and present solutions to improve care pathways had not been rewarded. As a result it has focused its efforts on engaging with individual social work and other allied health staff across the hospital, but with staff turnover, integrated discharge planning remains a significant and ongoing challenge.⁶²¹
- 6.51** Community Care Northern Beaches thus recommended that the Northern Beaches Hospital:
- work with their organisation (as the independent and impartial provider of information, advice and guidance) and trial a care navigation model that provides a seamless interface, and immediate access to community care and support for people who are at risk following a hospital admission or presentation
 - participate in a joint care planning process that involves key community care providers in discharge planning for people who have high and complex care needs
 - take up information and training opportunities provided by their organisation regarding the eligibility criteria for a range of community services and support.⁶²²

Healthscope perspective

- 6.52** The committee took up many of the issues raised by inquiry participants with Healthscope representatives. With regard to electronic medical records, at the November 2019 hearing Mr Andrew Newton, Chief Executive Officer of the hospital, assured the committee that the ability of Northern Beaches staff to access patient records within the LHD is now working well, such that they have full communication with the public hospital system:

Significant work has been done in the first year of operations. The Northern Beaches Hospital is the first private hospital to have a direct link into the public health system through what we call the Health Information Exchange. That is now working really well for our clinicians to get direct access into the Northern Sydney Local Health District patient records. People have access 24 hours a day in real time to patients' past medical history.⁶²³

- 6.53** Asked about how the records of a patient from outside the LHD are accessed, Mr Newton advised that Northern Beaches Hospital clinicians obtain that information in the same way as occurs in any public hospital:

An example could be a patient turning up at Nepean Hospital at Penrith who normally resides at Orange who is an out-of-area patient, so the clinicians would get on the telephone, get onto the medical records department and that information will be transmitted in. So how we operate at Northern Beaches is no different to that.⁶²⁴

⁶²¹ Submission 205, Community Care Northern Beaches, p 3.

⁶²² Submission 205, Community Care Northern Beaches, p 3.

⁶²³ Evidence, Mr Andrew Newton, Chief Executive Officer, Northern Beaches Hospital, 5 November 2019, p 20.

⁶²⁴ Evidence, Mr Newton, 5 November 2019, pp 26-27.

- 6.54** Appearing before the committee in August 2019, Mr Richard Royle, Interim CEO for the hospital, acknowledged the hospital's difficulties with IT and indicated that they were being rectified in close consultation with clinicians:

The IT system ... clearly was not up to the standard of expectations. The good news from our perspective is that the software people, in conjunction with our doctors, have been working very solidly over the last eight months for significant improvements. There have been eight software upgrades during that time and this close cooperation now between the doctors and the IT developers is fundamental to success of any digital health implementation. It has been clearly demonstrated from a number of past disasters around Australia that unless you engage closely with the doctors you will have some challenges. We are delighted to see that that is actually now occurring.⁶²⁵

- 6.55** In respect of the provision of discharge summaries to general practitioners, in late October 2019 Healthscope again acknowledged the issues and advised the committee that it is working through them in liaison with GPs and the LHD:

We do acknowledge early difficulties with transmission of discharge summaries. These are steadily being worked through and we have objective data on this process, which is reported on regularly to the LHD ... This has been a complex process because different GPs use different electronic systems to receive information. We welcome the ongoing engagement and feedback of GPs.⁶²⁶

- 6.56** Mr Newton underscored that discharge summaries are automatically sent to GPs by email or by fax where patient consent has been given, and now operate on an opt out basis:

On the issue of discharge summaries, since March of this year these are electronically shared with a patient's nominated general practitioner where the patient has consented for this to occur. If the GP does not have the relevant technology, it will automatically be sent to the GP's fax. It is important to understand this is not an opt in service; instead, patients opt out if they do not wish for this to occur.⁶²⁷

- 6.57** Healthscope advised the committee in September 2019 that 79 per cent of all discharge summaries were being sent electronically.⁶²⁸ It further advised that discharge summaries are also uploaded to My Health Record, unless the patient opts out.⁶²⁹

- 6.58** Later, when asked in November 2019 to respond to Dr Rogers' September 2019 account of a patient sent home to die without her GP being made aware Mr Newton indicated that he had recently met with Dr Rogers and two other GPs to discuss discharge summaries and other communication issues for general practice. He indicated that while the doctors were pleased with some progress, some matters are not yet fully resolved, and the hospital is committed to actively engaging with general practitioners to address them:

⁶²⁵ Evidence, Richard Royle, Interim Chief Executive Officer, Northern Beaches Hospital, 26 August 2019, p 29.

⁶²⁶ Submission 119a, Healthscope Ltd, p 3.

⁶²⁷ Evidence, Mr Newton, 5 November 2019, p 17; see also Submission 119a, Healthscope Ltd, p 3.

⁶²⁸ Presentation slides, committee site visit to Northern Beaches Hospital, 27 September 2019, p 10.

⁶²⁹ Submission 119a, Healthscope Ltd, p 3.

I met with three general practitioners last Tuesday. One of them was one of the GPs who attended on 26 September. That is when we found out that the general practitioners are much happier with the timeliness of discharge summaries going back into their practices. However, we acknowledge that not everything is resolved. We are continuing to have those discussions. We have offered direct lines of communication back into the hospital if people are continuing to be frustrated by what is perceived as non-communication from the hospital. The general practitioners were very happy with our response and agreement for continued engagement to help with them transitioning patients from the hospital back to home.⁶³⁰

6.59 As an example of a matter yet to be resolved, Mr Newton responded that there is a need to inform GPs where a patient is in hospital but has opted out of the discharge summary system. Acknowledging that there is a perception that the hospital is withholding information when in fact the patient has not agreed for the information to be transferred, he stated, 'We need to have a more open dialogue when that happens.'⁶³¹

6.60 The committee also pursued the privacy breach raised by Dr Roseth with Healthscope representatives. Mr Stephen Gameren, Healthscope's State Manager for Hospitals, explained that the incident occurred prior to the resolution of the difficulties with electronic transmission of discharge summaries. On the occasion of a bulk delivery of discharge summaries, most GP practices received their set via a password protected USB stick. Two practices with very similar names received theirs in hard copy. He told the committee that once the mistake was brought to the hospital's attention it took advice from the Privacy Commission, the matter was rectified, and 'at no stage were those records in the public domain'.⁶³² He further advised that there has been no breach in patient confidentiality since then.⁶³³

6.61 Mr Newton assured the committee that measures are in place to ensure that the incident is not repeated:

Yes, there are safeguards in place so that cannot happen again because the discharge summaries are now sent electronically and the contact details are now in our administration systems. They go to the general practitioners nominated by the patient upon admission, providing the patient has not opted out from that occurring.⁶³⁴

NSW Health perspective

6.62 The committee also pursued several matters documented in this chapter with NSW Health representatives.

6.63 Ms Deborah Willcox, Chief Executive of the NSLHD, assured the committee that that the ability to access electronic medical records between Northern Beaches Hospital and the LHD was resolved, with Healthscope, the LHD and NSW Health's eHealth branch all having devoted much work to achieving this:

⁶³⁰ Evidence, Mr Newtown, 5 November 2019, p 24.

⁶³¹ Evidence, Mr Newtown, 5 November 2019, p 24.

⁶³² Evidence, Mr Stephen Gameren, State Manager - Hospitals, NSW and ACT, 5 November 2019, p 21.

⁶³³ Evidence, Mr Gameren, 5 November 2019, p 21.

⁶³⁴ Evidence, Mr Newton, 5 November 2019, p 21.

[O]ver the last year there has been a large team of people working on the interface between Northern Beaches Hospital and Northern Sydney Local Health District. We have had senior officials from our State agency for health information technology, eHealth; senior officials from the district; the chief information officer and a similar team from Healthscope. The interface between the medical records at one hospital and another is again a very complex process. The last year has been about actually developing that interoperability between the two. When the hospital opened ... they could not actually see the medical record of a patient who may have come from Royal North Shore Hospital. That has now been resolved.⁶³⁵

6.64 With respect to discharge summaries, the LHD confirmed that when the hospital's patient information system was initially configured, it required the patient to opt in for their general practitioner to receive the discharge summary; this has now been reconfigured so that the discharge summary is sent to the general practitioner by default, with the patient having the ability to opt out.⁶³⁶ It indicated that the change will increase the number of discharge summaries being sent and that it and Healthscope are monitoring the discharge summary process and will make further improvements to it as needed.⁶³⁷

6.65 The committee also asked NSW Health about the breach of patient privacy, and it shed further light on what occurred, also confirming that the patient information was not made publicly available, that the matter was rectified, and that the incident was not assessed to be a notifiable breach of data.⁶³⁸

6.66 With regard to collaboration between the hospital and the LHD, Ms Willcox spoke of the 'ongoing collegiate relationships between the LHD and Healthscope in the interests of patient care as well as endeavours to connect clinicians across the local health district, led by the LHD itself:

What I can speak to is an ongoing collegiate relationship with the team at Healthscope, with as much interaction between the clinical teams as possible. For instance, we held an allied health research forum just recently for the Northern Sydney Local Health District. More than 100 allied health professionals came together and the Healthscope allied health professionals joined that group. That is part of our role in the local health district—beyond managing the contract—because it is very important for our clinicians to be connected. That professional relationship is a very positive thing.⁶³⁹

6.67 At the November hearing the committee pursued Community Care Northern Beaches' concerns about discharge planning and referral pathways for patients, especially highly vulnerable ones, and their difficulties engaging Northern Beaches Hospital representatives in constructive discussions to improve the hospital's responses. Asked whether she was satisfied with the referral pathways for people presenting with suicidal ideation or other mental health issues, Ms Willcox assured the committee that there is a pathway in place between community mental health services and the acute hospital, and that the LHD works 'very closely with the acute services team and with our community mental health team to ensure that anybody who is

⁶³⁵ Evidence, Ms Deborah Willcox, Chief Executive, Northern Sydney Local Health District, 5 November 2019, p 40.

⁶³⁶ Answers to questions on notice, NSW Health, received 20 September 2019, p 7.

⁶³⁷ Answers to questions on notice, NSW Health, received 20 September 2019, p 7.

⁶³⁸ Answers to questions on notice, NSW Health, received 20 September 2019, p 7.

⁶³⁹ Evidence, Ms Willcox, 5 November 2019, p 37

unwell gets the appropriate referral and, equally, when someone is discharged from Northern Beaches Hospital that referral back to the community mental health services.⁶⁴⁰

6.68 Ms Willcox undertook to meet with Community Care Northern Beaches, together with Mr Newton, to discuss their concerns, stating, '[I]f there are particular patterns or particular referral pathways that are not working as well as we would like then taking guidance from and hearing the experiences of such a group would not be unhelpful.'⁶⁴¹

6.69 Following the hearing, NSW Health provided the following information about the referral pathway for patients with suicidal ideation codified in Northern Beaches Hospital policy:

Northern Beaches Hospital policy document NBH-08047 for people presenting with suicidal ideation aligns with the NSW Health Policy Directive PD2016_056 Transfer of Care from Mental Health Inpatient Services for discharging consumers of NSW Health Mental Health Services. Consistent policies assist the specialist mental health workforce to provide integrated and connected care across community, inpatient and emergency settings.

Under this policy, people presenting with suicidal ideation are triaged, assessed and treated according to risk as they enter Northern Beaches Hospital.

These consumers are then referred to the local public Mental Health Acute Care Team for follow up within seven days which is consistent with the NSW Health Policy as above.

The Northern Beaches Hospital also refers consumers presenting with suicidal ideation for community follow up to Brookvale Community Health Centre if they reside locally, or to the appropriate service in their local area.⁶⁴²

6.70 Notably, NSW Health further advised that a discharge checklist has been established at the hospital to facilitate referral to community mental health services:

Northern Beaches Hospital have implemented a Discharge Checklist to ensure all referrals to local community mental health services are consistent and made in collaboration with both the consumer and their carers. The checklist ensures that on discharge the consumer and carer are aware of the referral pathways for community support.⁶⁴³

Committee comment

6.71 The committee is mystified as to why Healthscope purchased an EMR system for the Northern Beaches Hospital which had poor functionality, was slow and incompatible with the public hospital system such that it would not allow the sharing of patient information across the LHD.

6.72 The committee heard evidence from clinical staff that, in their words, they were 'flying blind' in their efforts to care for acutely unwell patients without access to patients' external records. The

⁶⁴⁰ Evidence, Ms Willcox, 5 November 2019, p 38.

⁶⁴¹ Evidence, Ms Willcox, 5 November 2019, p 38.

⁶⁴² Answers to questions on notice, NSW Health, received 6 December 2019, p 2.

⁶⁴³ Answers to questions on notice, NSW Health, received 6 December 2019, p 2.

committee heard how this created enormous stress for individual staff over an extended period, and we are left in no doubt, based on the credible evidence we have received, that this situation affected clinical decisions about individual patients. The committee is concerned that staff and patients were put in this position.

- 6.73** The committee was thus pleased to learn that after a great deal of work on the part of the Northern Beaches Hospital, the LHD and NSW Health, including by very senior staff, that the ability to access EMRs between the new hospital and other parts of the LHD has recently been resolved. Although we do not have any detail on the functionality that has been achieved, nor any insights into how it is now working in practice, we acknowledge the substantial work involved and what has been achieved. We are hopeful that the system's functionality is appropriately high. Doubtless this has been a major piece of work for Healthscope and the LHD over the hospital's first year of operation that would not have been necessary had a different choice of IT had been made.
- 6.74** Participants have suggested that Healthscope sought to save costs with a cheaper EMR system and that a lack of consultation contributed to it being poorly configured. We return to the issue of consultation in a moment; for now the committee observes once again that the problem is a particular consequence of the public private partnership. Had the Northern Beaches Hospital been publicly operated it would simply have installed the public hospitals' EMR system. The choice that was made very significantly impacted on the hospital's first year of operation, and fixing it no doubt occurred at major financial cost and with major input from the LHD and NSW Health. In the committee's view, it thus illustrates the unanticipated costs – in terms of control, patient care, reputation and resources – that can flow from the privatisation of public health services.
- 6.75** The committee appreciates the frustration and strong dissatisfaction of general practitioners over the hospital's provision of discharge summaries. Although Mr Newton has acknowledged that there are still issues being worked through, it is pleasing to know that the actual electronic provision of completed discharge summaries – except where a patient opts out – has been rectified. We do not know whether GPs' concerns about the quality of the documents has been addressed, nor whether they are being prepared as standard practice for all patients, as occurs in public hospitals. Correspondingly, the committee has lingering questions as to whether junior doctors are sufficiently resourced and supported to prepare them. As we noted in chapter 3, there is clear evidence from the Health Education and Training Institute's final accreditation report that junior doctors are still not adequately resourced and supported at the new hospital.
- 6.76** Our concern at the strength of ASMOF's criticisms that the Northern Beaches Hospital is taking a siloed approach within the LHD has been somewhat mollified by the evidence of the AMA (NSW) that the Minister and LHD have been working hard to bring about greater integration. Nevertheless, the AMA also called for continued efforts to integrate the operation of the Northern Beaches Hospital into that of the broader public health network. Healthscope and the hospital must move towards a more partnership approach within the local health district, from senior management down to clinical interface, and we see value in ASMOF's view that this will be assisted via mechanisms such as formal consultation processes, joint planning and shared responsibility for outcomes. The committee recommends that both Healthscope and the NSLHD take further action to fully integrate the operation of the Northern Beaches Hospital into the LHD. We also consider that the establishment of integration as a formal item for reporting and discussion in the LHD's fortnightly meetings with Healthscope will assist this shift to occur.

- 6.77 The committee acknowledges that greater integration will entail significant cultural change on the part of Healthscope, and we return to this in our final chapter.

Recommendation 18

That the Northern Sydney Local Health District and Healthscope:

- take further action to fully integrate the Northern Beaches Hospital into the operations of the local health district, including in the hospital's working relationship with other hospitals
 - establish integration as a formal item for reporting and discussion in the local health district's fortnightly meetings with Healthscope.
-

- 6.78 It appears from the evidence before the committee that there are resourcing issues at play not only in respect of the writing of discharge summaries, but also in respect of the process of discharge planning and the work of actually referring and linking patients into community based services. It goes without saying that the hospital has significant obligations regarding the safety and wellbeing of its patients, notably highly vulnerable mental health patients. The committee acknowledges the introduction of a discharge checklist at the hospital to ensure that all referrals to local community mental health services are consistent and made in collaboration with the consumer and their carers. Beyond this, effective referral pathways appear to be another area where the public private partnership model is not serving the community well.
- 6.79 It is well known that transition out of hospital is a time of heightened risk for mental health patients and it is imperative that the hospital mitigate this risk with due care. The evidence of Community Care Northern Beaches and the recent incident of the man walking a significant distance home late at night after discharge raise questions for the committee about how well the human dimension of hospital care is practiced at the Northern Beaches Hospital. Apart from the personal impact on the patient, avoidable readmissions from too early or poorly managed discharge are costly to the health system. A more collaborative approach with community based services will be essential to the necessary improvements. In addition, within the context of the public private partnership, the committee wonders what incentives are in place to encourage quality discharge planning and effective linkages into care. We recommend that Northern Beaches Hospital collaborate with community based services to improve its linking of patients, and especially vulnerable patients, into those services. In doing so, we see real merit in Community Care Northern Beaches' three suggestions: that the hospital jointly develop and trial a care navigation model enabling immediate access and support for patients at risk following admission; that it participate in a joint care planning process with key community care providers in discharge planning for patients with high and complex care needs; and that it take up information and training opportunities regarding the eligibility criteria for various community services and supports.
- 6.80 We further recommend that additional mechanisms for ensuring quality discharge planning and effective linkages to services be identified and locked in as a priority.

Recommendation 19

That Northern Beaches Hospital collaborate with community based services, including health clinics, to improve its linking of patients, and especially vulnerable patients, into services. In doing so, that it:

- jointly develop and trial a care navigation model enabling immediate access and support for patients at risk following admission
- participate in a joint care planning process with key community care providers in discharge planning for patients with high and complex care needs
- enhance its understanding of the eligibility criteria for a range of community services and supports.

Recommendation 20

That the Northern Sydney Local Health District and Healthscope examine and act on further ways to provide quality discharge planning and effective linkage of patients into community based services.

- 6.81** The committee was encouraged to see that over time the new hospital is more actively and effectively engaging with its key stakeholders in the health system. We appreciated Mr Newton's evidence regarding greater and ongoing collaboration to address general practitioners' concerns, as well as Ms Willcox's actions to take up Community Care Northern Beaches feedback. Mr Royle's evidence that the hospital was rectifying its IT problems in close collaboration with doctors was another example. Once again these aspects of the management and operation of a hospital are standard practice in the public system but do not come naturally to the private, and demand a change of culture.
- 6.82** The committee is most hopeful that under Mr Newton's leadership – given his background in the public hospital system – Healthscope and the Northern Beaches Hospital will continue to build a culture of respect and collaboration with GPs and community based health services. We recommend that this occur, including via the establishment of ongoing, regular mechanisms for GPs and other local health care providers to meet with senior representatives of the hospital and the LHD to resolve issues and build partnerships. We also see value in the Sydney North Health Network's recommendation that this occur via the establishment of proactive and regular communication from the hospital to local GPs on jointly identified matters of importance via mechanisms that have been jointly agreed; and that the hospital appoint a dedicated general practice liaison role with a clinical background to support communication regarding individual patients and troubleshoot matters as they arise.

Recommendation 21

That Healthscope and the Northern Beaches Hospital continue to build a culture of respect and collaboration with general practitioners and community based services, including by establishing:

- ongoing mechanisms for these stakeholders to meet regularly with senior representatives of the hospital and the Northern Sydney Local Health District to resolve issues and build partnerships
 - proactive and regular communication to local general practitioners on jointly identified matters of importance via mechanisms to be jointly agreed
 - a dedicated general practice liaison role with a clinical background to support communication regarding individual patients and troubleshoot matters as they arise.
-

Chapter 7 Moving forward

It is now sixteen months since the Northern Beaches Hospital (NBH) commenced operation. Having examined in detail the many specific issues raised by inquiry participants with respect to the management and operation of the hospital, in this final chapter the committee revisits the key issues for the inquiry documented in chapter 2, which focused on the public private partnership (PPP) between NSW Health and Healthscope for the building and operation of the new hospital. There, the committee documented inquiry participants' perspectives on the risks and benefits of the PPP, the culture of the private operator, transparency requirements, performance monitoring and governance arrangements.

Three themes emerged in that chapter that have continued throughout this report: first, the perceived dissonance between culture and values of the private operator and the public hospital services for which it is now responsible on the Northern Beaches; second, the critical need for transparency in respect of the partnership, the project deed that codifies it and the subsequent performance of the hospital; and third, the imperative for Healthscope and the hospital to better engage with the community that they serve. These are now the focus of this concluding chapter, in which the committee considers the way forward for the Northern Beaches Hospital.

The chapter first documents the evidence that the committee received regarding improvements in the hospital's performance since it opened. It then explores stakeholder views about the desirability of enhanced community engagement as an important task ahead, before making the committee's final comments with regard to the key means by which the hospital will both consolidate its performance in providing quality care to the community of the Northern Beaches and mitigate the risks arising from the PPP.

Notable improvements

- 7.1** In this section the committee documents the evidence we received with regard to improvements at the Northern Beaches Hospital since it opened in October 2018, both in terms of performance and other aspects of the hospital's operation.

Community and other perspectives

- 7.2** Notwithstanding the many concerns documented throughout this report, there was a recognition among numerous stakeholders that the performance of the Northern Beaches Hospital is improving. While fundamental apprehensions about the PPP remained, participants also reported positive changes in the way that the hospital is being operated.
- 7.3** The Australian Salaried Medical Officers' Federation of NSW (ASMOF), for example, identified a number of improvements on the part of Healthscope and the hospital as of July 2019, including enhanced services such as the establishment of a medical assessment unit, increased outpatient services, and extra capacity in services such as aged care, which doctors consider to be running well. In addition, it reported that some high risk policies had been approved and there was now greater policy consistency with NSW Health. ASMOF noted that the new hospital management had worked with the 'tireless' assistance of doctors and nurses to develop policies, address staffing issues and develop sustainable models of care. It reported that many junior and senior doctors now state that they enjoy working at the hospital, and find its atmosphere collegiate.

- 7.4** ASMOF further advised that some of its members at Northern Beaches consider that the hospital is now performing well, and that service offerings in fact exceed care previously provided in the district, although some of these services are only available to private patients (discussed in chapter 4). It added that, 'Doctors also see significant potential in the hospital to continue improving the standards of care at the hospital even further'.⁶⁴⁴
- 7.5** At the same time, as noted in chapter 2, ASMOF observed that it is difficult to fully adjudge the hospital's improvements in respect of standards of service provision and care 'due to a lack of publicly available information, and lack of transparency around the hospital's Key Performance Indicators and whether they are being met'.⁶⁴⁵ Accordingly, it recommended that complete information about the hospital's KPIs and its performance to date be published.⁶⁴⁶ ASMOF's further recommendations to address a range of ongoing issues are documented throughout this report. Here we particularly note its recommendation that NSLHD and Healthscope take action to further integrate the hospital into the local health district, captured in chapter 6.
- 7.6** In a similar vein, the Australian Medical Association (NSW) (AMA (NSW)) told the committee that it had 'seen and recognised the significant improvements in the operation of the hospital'.⁶⁴⁷ Ms Fiona Davies, Chief Executive Officer, advised the committee that the AMA (NSW)'s annual survey of doctors in training across all public hospitals has indicated that the new hospital's performance is now 'mid-range'. She further commented that her sense is that the Association's members at the hospital would now 'like to get on with the business of providing high quality health care'.⁶⁴⁸
- 7.7** Ms Davies also told the committee that despite the early challenges, 'we believe it is too soon to call the project a failure', highlighting the changes in senior management and the work of the Northern Sydney Local Health District (NSLHD) as particular contributors to improvements in respect of staff engagement and integration into the broader public hospital network respectively.⁶⁴⁹ She specifically welcomed Mr Andrew Newton's appointment as Chief Executive Officer of the hospital, given his strong public hospital background, and as noted in chapter 6, highlighted further integration into the LHD as absolutely critical to the future success of the hospital.⁶⁵⁰
- 7.8** Dr Jonathan Page, a medical oncologist formerly employed at the hospital, also expressed hope for the new management team, especially with its public hospital experience. He emphasised a collaborative approach with staff as key to the hospital's future:

I think there is essentially a new team at the hospital—a new CEO and a new medical director, who I understand both have experience in the public system whereas their predecessors did not. The current CEO is the fourth CEO in a year. I am optimistic. I think they are probably coming from a place where there is more consultation with senior staff. I would like to see that as a clear intention with the planning of these

⁶⁴⁴ Submission 225, Australian Salaried Medical Officers' Federation of NSW, pp 13-15.

⁶⁴⁵ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 15.

⁶⁴⁶ Submission 225, Australian Salaried Medical Officers' Federation of NSW, p 4.

⁶⁴⁷ Submission 229, Australian Medical Association (NSW), p 6.

⁶⁴⁸ Evidence, Ms Fiona Davies, Chief Executive Officer, Australian Medical Association (NSW), 23 September 2019, p 20 and 25.

⁶⁴⁹ Evidence, Ms Davies, 23 September 2019, p 20.

⁶⁵⁰ Evidence, Ms Davies, 23 September 2019, p 20.

discussions, department by department, medical and nursing, to ensure that from this point on the hospital works as well as it possibly can.⁶⁵¹

- 7.9** Numerous community members wrote to the committee about their positive experiences at the hospital. For example, in her submission lodged in July 2019, Mrs Sandra Rim spoke very highly of the care she had received during three separate stays at the hospital:

I have been an inpatient at Northern Beaches Hospital on 3 occasions since April 2019, two of which were quite lengthy, and I was extremely satisfied with the standard of care I received. I found all the staff (ie, doctors, nurses, staff in the radiology department and wardsmen) to be very professional, caring, dedicated and respectful.

The food provided by this hospital, both in quality and range of choice was far superior to the food I have experienced in any other hospital ...

My experience as a patient at Northern Beaches Hospital on every occasion was a positive experience and I have nothing but praise for all the staff who provided my care and clinical services.⁶⁵²

- 7.10** Another individual writing in July 2019 attested to the 'excellent' treatment of his wife on two occasions, including in the emergency department, as well as the positive experience of others in their retirement community:

My wife has received excellent treatment on two recent admissions to the Northern Beaches Hospital. We could not fault in any way the treatment she received and the prompt way she was seen in Emergency. We live in an "over 55" complex of over 200 units so consequently many of the residents here have been admitted through the Emergency Department, and no one has had a bad experience and, in fact, have been full of praise for the care and attention they have received.⁶⁵³

- 7.11** Ms Marian Gill told the committee of her two experiences in March 2019. Like the individual above, she reported that other members of her community also regard the care they have received at the new hospital highly:

I have had 2 admissions to the hospital in March and cannot fault in any way the care and attention I received. My admissions through ER were quick and I received treatment promptly. The staff, from the nurses, doctors, specialists, radiologists, the women who brought the menu selection and even the young men who escorted me to the Radiology unit and, when I left, to the carpark, were amazing. They all were cheerful, polite and competent. The nurse who looked after me in ER told me her mother was a nurse in Ireland and had 40 patients under her care whereas she only had 8 patients to look after. I had a myriad of tests which were completely covered by Medicare.

I live in an over 55 complex of some 200+ units and naturally many of us have attended the hospital. There has been nothing but praise from everyone here who has been admitted and gone through ER.⁶⁵⁴

⁶⁵¹ Evidence, Dr Jonathan Page, Medical Oncologist, 5 November 2019, pp 10-11.

⁶⁵² Submission 139, Mrs Sandra Rim, p 1.

⁶⁵³ Submission 187, Name suppressed, p 1.

⁶⁵⁴ Submission 11, Marian Gill, p 1.

- 7.12** Dr Carolyn West, writing in June 2019, told the committee of her husband's numerous positive experiences in the emergency department, as well as her own experiences as his carer:

Over the last two months my husband has required acute treatment in the Emergency Dept on five occasions, requiring admission on two occasions and laparoscopic cholecystectomy. He is 80 yrs old - the care he received was thorough, caring, and timely. We appreciate that the hospital is new and staff are learning to work well together. We are grateful for the care my husband received and the consideration provided to me as carer especially in the middle of the night.⁶⁵⁵

Healthscope perspective

- 7.13** The committee explored with the Healthscope the positive changes at the hospital since the opening period, and the various improvements to its performance.

- 7.14** A little over a year after the hospital's opening, in December 2019, Healthscope advised the committee that it was now providing care to an excellent standard:

NBH is providing an excellent standard of care to the local community, which is verified through government and other independent industry performance data. While patient and staff satisfaction measures were impacted by issues that occurred during the initial weeks following commencement of hospital operations, these have substantially improved over the past year.⁶⁵⁶

- 7.15** As noted in chapter 2, a range of key performance indicator data required to be provided to NSW Health under the project deed is now published on the Bureau of Health Information website on an ongoing basis, and further data is published on the Healthscope website.

- 7.16** Healthscope's submission, lodged in late July 2019 underscored the significant improvements that had been achieved since the opening of the hospital, especially reflected in patient feedback and clinical outcomes data:

[I]mprovement has been clearly demonstrated by the feedback from patients we have cared for over the past nine months and the clinical outcome data that we are now able to publish on our website, in line with Healthscope's Clinical Governance Framework. While we measure and analyse many facets of the Hospital's performance, and publish them, the patient experience ratings are a personal, human reaction to how our patients are treated and cared for, and how that reflects the outcome of that care ... our overall performance has significantly improved over time.⁶⁵⁷

- 7.17** Healthscope cited the following patient experience data as evidence of substantial improvement:

Over 80% of patients rated the overall quality of treatment and care as "very good" at mid-July 2019, 11% higher than in the first month of opening. When compared with the most recent NSW Bureau of Health Information (BHI) patient survey statistics on

⁶⁵⁵ Submission 4, Dr Carolyn West, p 1.

⁶⁵⁶ Answers to questions on notice, Healthscope Ltd, received 6 December 2019, p 5.

⁶⁵⁷ Submission 119, Healthscope Ltd, p 2.

the rating of care in public hospitals, NBH compares favourably and is 15 points above the NSW State average.⁶⁵⁸

7.18 Appearing before the committee in August 2019, Dr Simon Woods, Interim Director of Medical Services, highlighted that the Northern Beaches Hospital's performance data in respect of hospital acquired complications, unplanned readmissions, unplanned returns to theatre, falls, and unplanned admissions to the intensive care unit were, as of that period, all better than the state average.⁶⁵⁹

7.19 Further to this, during the committee's visit to the hospital in September 2019, Healthscope identified a number indicators of positive performance over the first 11 months of operation:

- 1500 babies delivered
- 14,600 operations performed
- 53,000 patients presented to [emergency department]
- 385 additional nurses recruited
- [more than] 700 active senior doctors credentialed
- 80% of patients rated quality of care as "very good"
- 99% of patients arriving by ambulance transferred into [emergency department] care in the target time
- 100% of elective surgery performed in recommended time.⁶⁶⁰

7.20 At the site visit Healthscope also presented various clinical outcomes data as evidence of strong clinical performance in comparison with peer public hospitals, as set out in table 1 below.

Table 2 Clinical outcomes across key metrics, Northern Beaches Hospital⁶⁶¹

Clinical outcome	Northern Beaches Hospital public (%)	Public hospital peers (%)
Hospital acquired condition rate [#]	1.7	2.6
Unplanned readmissions*	0.53	3.11
Unplanned return to operating room*	0.17	0.40
Patients developing pressure injuries*	0.04	0.08
Falls in hospital*	0.27	0.37
Unplanned intensive care unit*	0.16	0.24

[#] Source: Health service organisation operational data 2018-19, Australian Institute of Health and Welfare, Admitted patient care 2017-18: Australian hospital statistics report (latest data available)

* Source: Australian Council on Healthcare Standards, Performance and Outcomes Service, July-December 2018.

⁶⁵⁸ Submission 119, Healthscope Ltd, p 2; see also Evidence, Mr Richard Royle, Interim Chief Executive Officer, Northern Beaches Hospital, 26 August 2019, p 16.

⁶⁵⁹ Evidence, Dr Simon Woods, Interim Director of Medical Services, Northern Beaches Hospital, 26 August 2019, p 29.

⁶⁶⁰ Presentation slides, committee site visit to Northern Beaches Hospital, 27 September 2019, p 6. The time period for the data was not stated, just that this was the latest data available.

⁶⁶¹ Presentation slides, 27 September 2019, p 7.

7.21 Healthscope also provided data on consumer experience as evidence that 'patient satisfaction is strong and rising' as set out in table 2 below.

Table 3 Consumer experience, Northern Beaches Hospital, November 2018-July 2019⁶⁶²

Month	NBH Public Hospital Rating of care [#] (% of patients rating the hospital experience as 'very good')	NBH Public Hospital Net promotor score (% of patients willing to recommend service to others)
November 2018	70.0	55.0
December 2018	74.6	53.0
January 2019	80.0	60.0
February 2019	76.3	51.8
March 2019	73.4	58.2
April 2019	71.6	64.9
May 2019	78.4	73.5
June 2019	79.6	78.1
July 2019	81.8	68.4
	NSW Public hospitals 65.0	Common health industry benchmark 70.0

[#] Source: Health service organisation operational data 2018-19, Bureau of Health Information (NSW Health) 2017 (latest available data)

^{*} Source: Health service organisation draft operational data, common industry standards.

7.22 In respect of the patient rating of care data in table 2, Healthscope commented that this:

- compares favourably in all months to the state average
- reflects notable improvement over time
- reflects the quality of clinical care
- compares favourably to Manly Hospital (73%) and Mona Vale Hospital (73%).⁶⁶³

7.23 In respect of the net promotor score data in table 2, Healthscope commented that 'Early scores were deflated by negative media, which influenced patient willingness to recommend the hospital, sometimes despite a good experience', and pointed to significant improvement over time.⁶⁶⁴

7.24 In September 2019 Healthscope provided the following emergency department performance data for August 2019, captured in table 3.

⁶⁶² Presentation slides, 27 September 2019, p 7.

⁶⁶³ Presentation slides, 27 September 2019, p 8.

⁶⁶⁴ Presentation slides, 27 September 2019, p 8.

Table 4 Emergency department performance, Northern Beaches Hospital, August 2019⁶⁶⁵

Australasian Triage Scale Category	Maximum waiting time target	Performance Indicator (%)	NBH August 2019 results
1	Immediate	100	100
2	10 minutes	80	78.23
3	30 minutes	75	76.08
4	60 minutes	70	92.93
5	120 minutes	70	100

7.25 In respect of table 3, Healthscope advised that the hospital is measured against benchmark KPIs that are set higher for some categories than other hospitals and that the data in the table would be validated by the Bureau of Health Information as part of the normal review process.⁶⁶⁶

7.26 At the November hearing, Dr Andy Ratchford, Director of the hospital's emergency department, highlighted that as of October 2019 the emergency department had continued to consolidate its strong performance, such that it was now performing among the top of its peer group:

I am really pleased to report to the Committee that we have just internally looked at our data and for October we have met all of our KPIs for the first time. Those include our five triage categories—so that is time to be seen—and our ETP, which is the emergency treatment performance. That is the percentage of patients who are either admitted or discharged within four hours—we met 81 per cent. Our transfer of care, which is the percentage of ambulances that we offload within 30 minutes, is 99 per cent. That would see us well within the top 10 per cent or 20 per cent of our peer group hospitals across the State.⁶⁶⁷

7.27 The committee asked Healthscope representatives about the bearing that the presence of the general practice (GP) clinic onsite at the hospital has on emergency department demand. Dr Ratchford indicated the clinic sees perhaps 56 or 60 patients a day,⁶⁶⁸ and Mr Newton expressed the view that the clinic is serving its function of addressing lower level health needs very well. As noted in chapter 3, he considered that the preponderance of higher acuity patients at the emergency department as a result of the GP clinic actually amplified the strong performance of the emergency department, as reflected in the data.⁶⁶⁹

⁶⁶⁵ Answers to questions on notice, Healthscope Ltd, 20 September 2019, p 7.

⁶⁶⁶ Answers to questions on notice, Healthscope Ltd, 20 September 2019, p 7.

⁶⁶⁷ Evidence, Dr Andy Ratchford, Director, Emergency Department, Northern Beaches Hospital, 5 November 2019, p 22.

⁶⁶⁸ Evidence, Dr Ratchford, 5 November 2019, p 22.

⁶⁶⁹ Evidence, Mr Andrew Newton, Chief Executive Officer, Northern Beaches Hospital, 5 November 2019, p 22.

7.28 Beyond these performance measures, the committee also asked about the number of sentinel events that had occurred between the hospital's opening and 26 August 2019. Healthscope responded that there had been two, with one of those yet to be finally determined as a sentinel event.⁶⁷⁰

7.29 With regard to the general issue of improvements at the hospital, Healthscope acknowledged that the early difficulties had impacted upon the hospital's reputation, but praised its staff's contributions to improving care and the broader outcomes of expanded services and quality care delivered via the hospital:

While we accept the early weeks of NBH have defined initial perceptions of our Hospital, the past six months have demonstrated the resilience, pride and determination of our team to deliver high quality care for the local community we serve. As a result, our patients are benefiting from access to a range of new and expanded services, and a high standard of healthcare that will continue for decades to come.⁶⁷¹

7.30 At the November hearing, Mr Newton highlighted to the committee that from his perspective as a newcomer with a great deal of experience in the public hospital system, Northern Beaches Hospital is operating effectively in terms of its culture, systems and operations:

[I]n my many years of experience working in public hospitals—any hospital—I am confident and assured by the current culture, systems and how the hospital is currently operating.⁶⁷²

7.31 Dr Ratchford referred to a doctor's statement to the committee during our site visit that he was very proud that due to the additional staffing, the facilities and the equipment available at Northern Beaches, he had saved more lives in the 11 months since the hospital had opened than he had in the previous seven years at Mona Vale Hospital.⁶⁷³ Dr Ratchford went on to underscore the high performance of staff despite the loss of morale following the hospital's opening:

[S]taff morale has suffered in the last year but despite that we have been able to provide very high levels of resuscitation for babies, children and adults that were not previous available at Manly or Mona Vale hospitals. I am very proud of our staff, they have worked very hard, they have been very resilient to provide these high levels of care and bring a much higher level of critical care closer to the Northern Beaches Community than was previously available.⁶⁷⁴

7.32 Also in November 2019, Healthscope advised the committee that improving patient care and quality had been an ongoing priority for the Hospital, and that it had recently achieved accreditation against the National Safety and Quality Health Service Standards:

Northern Beaches Hospital is continually working to improve patient care and quality. Accreditation is an important part of our ongoing quality program to maintain high quality patient care.

⁶⁷⁰ Answers to questions on notice, Healthscope Ltd, received 20 September 2019, p 7.

⁶⁷¹ Submission 119, Healthscope Ltd, p 2.

⁶⁷² Evidence, Mr Newton, 5 November 2019, p 23.

⁶⁷³ Evidence, Dr Ratchford, 5 November 2019, p 28.

⁶⁷⁴ Evidence, Dr Ratchford, 5 November 2019, p 29.

NBH is accredited against the National Safety and Quality Health Service Standards, a mandatory set of standards established by the Australian Commission on Safety and Quality in Health Care for all public and private hospitals.

New hospitals such as NBH are required to undergo interim accreditation within two weeks of opening, and a revisit within 12 months. Recently, the hospital underwent the survey for accreditation by the Australian Council on Healthcare Standards. The surveyors have given the hospital a favourable report with recommendation for three-year accreditation.

Notice of accreditation is expected in February 2020.⁶⁷⁵

7.33 Healthscope further identified the categories for which it had achieved Australian Council on Healthcare Standards accreditation:

- Clinical Governance
- Partnering with Consumers
- Preventing and Controlling Healthcare Associated Infection
- Medication Safety
- Comprehensive Care
- Communicating for Safety
- Blood Management
- Recognising and Responding to Acute Deterioration.⁶⁷⁶

7.34 Healthscope emphasised to the committee that moving forward, its 'overriding focus and priority is the provision of high quality healthcare and a successful long term partnership with the NSW Government.'⁶⁷⁷

NSW Health perspective

7.35 NSW Health representatives also addressed improvements in the performance of the hospital in their evidence to the committee, as well as the work that the LHD is doing to support the hospital as it moves forward from its first year of operation.

7.36 As noted in chapter 3, Ms Susan Pearce, Deputy Secretary, Patient Experience and System Performance, acknowledged that the confidence of the community had been damaged in the opening months of the hospital, but emphasised that the performance of the hospital has improved, such that the community can have confidence in the care that they will receive there.⁶⁷⁸ She further emphasised that the improvements were demonstrable, and that work was continuing to address the remaining issues:

There were issues upon opening and those issues have been addressed, and addressed quite clearly. There is a demonstrable improvement in the performance of the hospital, which did occur quite quickly in terms of that initial period where we were undergoing those issues and working with the team. I believe that that turned around relatively

⁶⁷⁵ Answers to questions on notice, Healthscope Ltd, received 9 December 2019, p 2.

⁶⁷⁶ Answers to questions on notice, Healthscope Ltd, received 9 December 2019, p 5.

⁶⁷⁷ Submission 119, Healthscope Ltd, p 4.

⁶⁷⁸ Evidence, Ms Susan Pearce, Deputy Secretary, Patient Experience and System Performance, NSW Health, 5 November 2019, p 34.

quickly in the main, and the issues that are ongoing need to continue to be worked through.⁶⁷⁹

- 7.37** Ms Deborah Willcox, Chief Executive of Northern Sydney Local Health District, also spoke of the hospital having moved beyond its initial difficulties. She highlighted specific improvements in respect of emergency department performance and surgery performance, and noted the enhanced services now available to the Northern Beaches community:

The nature and complexity of the services at the hospital can now provide an intensive care unit with an increased number of beds that can see much sicker patients, increased operating theatres, low dose imaging for children, CT scanning that was not available, care for neonates at 32 weeks of pregnancy. This is a snapshot of the additional things that the hospital can deliver to the local community now that it has hit its stride.⁶⁸⁰

- 7.38** NSW Health was questioned with respect to the KPIs for which Healthscope had earlier received abatements (that is, in respect of length of stay in the emergency department, complaints resolved within 35 days, staphylococcus aureus bloodstream infections, and women who gave birth vaginally who received a blood transfusion during the same admission, as set out in paragraph 2.91).⁶⁸¹ Ms Willcox reported that as of November there had been no further abatements applied in relation to infections, or long length stays in the emergency department.⁶⁸² With regard to the former, Ms Pearce indicated that there were no staphylococcus infections at the hospital in the third quarter of 2019.⁶⁸³ Ms Willcox further advised that 100 per cent of patient complaints have been dealt with within the 35 day time period.⁶⁸⁴

- 7.39** On a different measure of performance, as noted in chapter 5, Ms Willcox further reported that LHD data indicates that the initial flow of patients towards Royal North Shore Hospital has recently started to reverse, suggesting that this may signal growing community confidence in the Northern Beaches Hospital.⁶⁸⁵

- 7.40** Ms Pearce advised the committee that an independent manual audit of emergency department records, initiated by NSW Health, had verified that improvements reflected in the emergency department's KPI's had been made:

The other thing I can also reassure the committee of is that, in the interests of providing fulsome information to the community and also to reassure ourselves around performance, earlier this year we had a team of auditors go in to manually check emergency department performance, for example. We have a right to do that under the contract. We exercised that, but not in a particularly contractual way. With the agreement of the hospital we sent external independent auditors to check the

⁶⁷⁹ Evidence, Ms Pearce, 5 November 2019, p 35.

⁶⁸⁰ Evidence, Ms Deborah Willcox, Chief Executive, Northern Sydney Local Health District, 5 November 2019, p 37.

⁶⁸¹ Answers to questions on notice, Healthscope Ltd, received 6 December 2019, p 3.

⁶⁸² Evidence, Ms Willcox, 5 November 2019, p 32. The third KPI for which an abatement was applied, the number of women who gave birth vaginally who received a blood transfusion, was not addressed in this evidence.

⁶⁸³ Evidence, Ms Pearce, 5 November 2019, p 32.

⁶⁸⁴ Evidence, Ms Willcox, 5 November 2019, p 32.

⁶⁸⁵ Evidence, Ms Willcox, 5 November 2019, pp 37-38.

performance of the emergency department, given those transmission issues. The results of that were reassuring.⁶⁸⁶

- 7.41** Asked to comment, like Healthscope representatives, on whether the presence of the onsite GP clinic might positively affect the performance data of the emergency department in terms of waiting times, Ms Willcox responded by affirming the recent strong performance of the emergency department and explaining that from her perspective the presence of the onsite GP clinic does not so much reduce demand as enable patients to make a more appropriate choice for where to obtain lower acuity care:

The performance of the emergency department at Northern Beaches Hospital has been very good ... at the moment their transfer of care results and their triage performance and emergency treatment performance is very strong. In terms of some quantitative analysis about the benefits of a GP clinic, it is a model that has been applied from time to time around our system and others. It is not so much a taking away, as patients are usually very good at self-selecting. If they know there is a GP practice on site, they may make that decision themselves. Or if they arrive and they have got a relatively minor condition, the triage nurses would say, rightly, "There is a GP clinic next door that may be more convenient and suitable. If not, please stay here and we will care for you."⁶⁸⁷

- 7.42** Moving forward, Ms Willcox addressed the relationship between Healthscope and the LHD, emphasising that, 'the important thing here is that we want to build a strong and positive relationship with Healthscope. We have a community to jointly care for and it is our view that getting on together and working through the issues collaboratively'.⁶⁸⁸ She further observed that Healthscope and NSW Health are now in a long term partnership with the common goal of providing best practice health care to the Northern Beaches community:

This is a long-term partnership, and together we aim to deliver an enhanced range of services to our community. There are rigorous governance structures, processes and systems in place to ensure accountability and transparency by Healthscope in its operational responsibility, and by NSW Health in managing the contract. Ultimately, our collective aim is to provide the very best care to the community of the northern beaches.⁶⁸⁹

- 7.43** Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Ministry of Health, further articulated the collaborative approach that NSW Health had taken with the hospital since it commenced operation, which he saw as continuing to be important over the at least 19 years of the public private partnership:

We have taken a view that it is really important for the operation of this hospital to be a success for the patients who are receiving care there and for us to support the operator to make sure that they are getting services to the point where they need to be as swiftly as possible. It would not be in the best interests of the operator or the patients for us to proceed down that path of going to contractual issues straight up ... What we are saying is that this is over a 20 year period. It is important that we establish a relationship that is grounded on not just the contract but a relationship that is positive. The financing of the hospital is one component of it and we are very confident that we are getting

⁶⁸⁶ Evidence, Ms Pearce, 5 November 2019, p 40.

⁶⁸⁷ Evidence, Ms Willcox, 5 November 2019, p 33.

⁶⁸⁸ Evidence, Ms Willcox, 26 August 2019, p 7.

⁶⁸⁹ Evidence, Ms Willcox, 26 August 2019, p 4.

good value out of the funding that we are providing to the operator for the provision of services.⁶⁹⁰

Community trust and consumer engagement

7.44 The final issue that emerged in the evidence gathered during this inquiry, documented here before the committee's final conclusions, was the need, moving forward, for the hospital to rebuild trust and to engage in meaningful community engagement. The loss of community trust arising from the hospital's early difficulties has been noted at various points in this report especially in chapter 3, concerning the opening period and chapter 5, regarding the hospital in its local context.

7.45 The committee touched on consumer engagement in chapter 2's discussion of the culture of the private operator. There the report noted the view of the Save Mona Vale Hospital Community Action Group's that there have been very poor levels of community engagement at the hospital. The group suggested that there was no requirement or opportunity for community participation at the Northern Beaches Hospital, unlike public hospitals which must recognise the fundamental value of consumer perspectives for the planning, delivery and evaluation of health services.⁶⁹¹

7.46 In a similar vein, Friends of Northern Beaches Maternity Services highlighted that 'partnering with consumers' is a formal standard in the National Safety and Quality Health Standards requiring healthcare services to partner and engage in a meaningful way with local consumers, and that such engagement is known to produce the best outcomes. It told the committee that its ongoing efforts to engage with both the Hospital and the LHD have been frustrated:

Friends of Northern Beaches Maternity Services have been trying to engage with the Northern Sydney Local Health District since November 2013 about the planning, design and provision of public maternity services at the new hospital. We have persistently asked to be involved in advisory groups ... We have tried to engage with Northern Sydney Local Health District, Healthscope, the Minister for Health and have had meetings with them, but no consultation process has been developed.⁶⁹²

7.47 According to the group, they were advised in 2017 that Healthscope's Consumer Advisory Group includes local representation and includes women who had recently given birth, but subsequently learned that they were two members of staff. They further argued that Healthscope's 'consumer presentations' before the opening of the hospital did not constitute meaningful engagement.⁶⁹³

7.48 In August 2019 Mrs Helena Mooney, Co-founder of the group, told the committee that any engagement had been initiated by the group:

⁶⁹⁰ Evidence, Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 26 August 2019, p 6.

⁶⁹¹ Submission 121, Save Mona Vale Hospital Community Action Group, p 58.

⁶⁹² Submission 170, Friends of Northern Beaches Maternity Services, p 4; Evidence, Mrs Helena Mooney, Co-founder, Friends of Northern Beaches Maternity Services, 26 August 2019, p 32.

⁶⁹³ Submission 170, Friends of Northern Beaches Maternity Services, p 4; Evidence, Mrs Mooney, 26 August 2019, p 32.

I have been working on this for nearly five years; colleagues have been working on that for a year longer than me. We have had to push for every single meeting that we have ever had. We have had to ask every step of the way and we are very unhappy with the level of engagement that has been given with us.⁶⁹⁴

- 7.49** The Friends of Northern Beaches Medical Services argued that 'Healthscope have failed to meet their obligations during the development of the hospital and refused repeatedly to engage transparently with community and consumer representatives regarding maternity care at the new hospital'.⁶⁹⁵ It further contended that the lack of consultation resulted in 'a failure to provide appropriate choices in public maternity care and women choosing to go out of area to access continuity of midwife care'.⁶⁹⁶ The group told the committee that they 'would welcome the opportunity to engage in genuine, meaningful consultation on maternity service design, monitoring and improvements'.⁶⁹⁷

Healthscope perspective

- 7.50** Healthscope executives advised the committee that Healthscope has contact with a number of community groups now, in conjunction with the Ministry.⁶⁹⁸ Asked what community engagement the hospital has undertaken since it opened, Healthscope responded:

We continue to build relationships with the community that we serve and have engaged with numerous organisations including, but not limited to:

- Hospital volunteers
- Frenchs Forest businesses, organisations and residents
- Elected representatives including local members of parliament and local council
- Community organisations such as Northern Beaches Sydney Surf Life Saving School
- Clinicians and organisations involved in providing health care to the Northern Beaches community, such as the Sydney North Health Network
- Community action groups and community groups.⁶⁹⁹

- 7.51** Asked by the committee what the hospital is doing to rebuild the community's trust, Mr Newton acknowledged that the hospital's reputation had been damaged. He attested that the hospital has been working hard, with community groups, to build 'a sense of confidence that we are providing safe and quality care at Northern Beaches Hospital.' Mr Newtown gave the example of having recently met with the Rotary Group at Manly for this purpose.⁷⁰⁰ He noted that the

⁶⁹⁴ Evidence, Mrs Mooney, 26 August 2019, p 32

⁶⁹⁵ Submission 170, Friends of Northern Beaches Maternity Services, p 6.

⁶⁹⁶ Submission 170, Friends of Northern Beaches Maternity Services, p 4.

⁶⁹⁷ Submission 170, Friends of Northern Beaches Maternity Services, p 6.

⁶⁹⁸ Evidence, Mr Stephen Garamen, State Manager - Hospitals, NSW and ACT, and Mr Royle, 26 August 2019, p 26.

⁶⁹⁹ Answers to questions on notice, Healthscope Ltd, received 20 September 2019, p 4.

⁷⁰⁰ Evidence, Mr Newton, 5 November 2019, p 21.

hospital's apology has been very important to the process of rebuilding trust, but the ongoing focus now is that 'the patients who are referred to Northern Beaches Hospital can receive timely, safe and quality care.'⁷⁰¹

NSW Health perspective

- 7.52** The committee also explored the issue of trust with NSW Health representatives. Asked to comment on the imperative to rebuild the community's trust in the hospital, Ms Willcox responded that that is a matter for Healthscope, whilst citing hospital use figures as evidence that trust is growing:

For Healthscope, in terms of its performance and its own public face with the community, that is a matter for them. Of course, we would be supportive. The number of people who are attending the emergency department is around 170 per day. That shows that the community has growing confidence and is going there for care. We have seen a reduced number of people going to North Shore as a result. That is precisely what we wanted the hospital to do so that people can get their care closer to home.⁷⁰²

Committee comment

- 7.53** The committee acknowledges the substantial work that has occurred in moving the Northern Beaches Hospital forward from the problems of its opening, the important achievements that have been made in addressing those problems, and the strong performance results that the hospital is now achieving. We congratulate the hospital itself on those results and all those who have contributed to them.
- 7.54** The committee can also see that a great deal of skilled and strategic work has been undertaken to turn the hospital around and to address the many issues raised by inquiry participants and documented throughout this report. Much has been done and where issues remain, Healthscope, the local health district and NSW Health are working to address them. The inquiry process has helped to shed new light and a different perspective on the issues that remain and the committee sincerely hopes that our recommendations will provide a helpful roadmap of the priorities for Healthscope and the LHD as the hospital moves forward.
- 7.55** It is clear to the committee that the private status of the hospital has permeated every aspect of Healthscope's management of the Northern Beaches Hospital. Correspondingly, the fundamental tension within the private delivery of public health care – embodied in the PPP itself – has played out in many aspects of the hospital's establishment, management and early operation, becoming the focus of inquiry participants' concerns. Aside from the unduly rushed opening, which was extraordinarily problematic, almost every issue examined in this inquiry seems to link back to the PPP.
- 7.56** In line with this, many of our recommendations reflect the dissonance in values and culture between the private operator and the public hospital services for which it is now responsible. Indeed, they all seem to be focused on bringing about at the Northern Beaches Hospital what is standard practice in public health care: integration into the broader local health district,

⁷⁰¹ Evidence, Mr Newton, 5 November 2019, p 21.

⁷⁰² Evidence, Ms Willcox, 5 November 2019, p 37.

collaboration, equitable care between public and private patients, a stable workforce, engagement with key stakeholders, and of course transparency. Healthscope, with the guidance and oversight of NSW Health, and effective leadership, will need to move beyond the values and culture of the private operator to fully embrace those of the public hospital system. Effective oversight and transparency will also be crucial to ensuring quality care, patient safety, and equity of access into the future.

- 7.57** We acknowledge that these cultural changes will be very challenging for Healthscope as a private operator that is accountable to its shareholders: they necessarily entail a change in perspective and require work and resourcing that is unlikely to have been reflected in the contractual arrangements for the hospital. They are thus likely to involve significant challenges for the public private partnership on which the hospital was built.
- 7.58** Adding to these challenges are the ethical issues that have arisen in the context of the unique colocation model of this PPP, in which services to private patients are delivered alongside those to the public, and where under the project deed's contractual arrangements, the hospital has an inherent interest in maximising private care. Those ethical issues were explored in chapter 4, where we made strong recommendations in light of them.
- 7.59** On one view the PPP has placed both Healthscope and the LHD in an invidious position. Healthscope quite reasonably seeks to minimise its costs and maximise its profits. It is not running Northern Beaches Hospital for altruistic reasons and nor can it be expected to. Indeed, it has a responsibility to maximise returns to its shareholders. Like some inquiry participants we do wonder if it has taken on an impossible task. Furthermore, the LHD must necessarily maintain a collaborative relationship with the company from whom it is purchasing services and whose performance it must rigorously monitor and ultimately police. As an additional layer, the LHD and NSW Health must navigate the many challenges of a fundamental difference in values and practices with the private operator that would never have been an issue had the hospital been kept in public hands.
- 7.60** Of course, the hospital was built as a PPP to leverage the resources of the private sector. However, the very substantial work required of both the LHD and NSW Health to address the many problems documented throughout this report point to the substantial but invisible public resources doubtlessly required to support the new hospital to optimal functioning – the fixing of the information technology systems with the significant involvement of both the LHD and NSW Health being a key example. Surely these costs would have been less had this been a public hospital.
- 7.61** The committee cannot help but wonder whether these consequences were ever anticipated when the decision was taken to build the Northern Beaches Hospital as a PPP. We welcome the employment of senior staff with a strong public sector background as critical to the hospital's consolidation phase and ongoing future. Their skills, perspective and understanding of the broader public health system in which the Northern Beaches Hospital operates will be essential to the hospital's success, and will assist greatly with its better integration into the LHD.
- 7.62** At the same time, the committee considers that the serious and multifaceted consequences that have arisen from this PPP highlight that the government should simply not enter into any PPPs for future public hospitals.

Recommendation 22

That the NSW Government not enter into any public private partnerships for future public hospitals.

- 7.63** Moving forward, the Northern Beaches Hospital has acknowledged that it has a reputational issue to address and trust to build with the community it serves. Those needs are clearly reflected in the evidence before the committee: community members' dismay at the very poor experience of the opening; their disappointment at the closure of Mona Vale; and their sense that what they were promised in a new hospital for the Northern Beaches area was not what they received. However, these perception issues are counterpointed by the evidence that the committee received regarding the hospital's commitment to building trust and esteem within the community, as well as its now admirable clinical outcome data and patient satisfaction results.
- 7.64** Presuming that these positive performance results continue, the committee is confident that they will help to rebuild the Northern Beaches community's trust in their hospital. However in our view enhanced community engagement on the part of Healthscope is also required. As participants have pointed out, community members have an integral role to play in the planning, delivery and evaluation of services that is required to be harnessed in the public hospital system. Further, as noted in paragraph 1.22, Healthscope's obligation in this area – to encourage community participation – is actually codified in the deed. Community members' role must be better harnessed at Northern Beaches Hospital, and once again Healthscope needs to adapt its culture and practices accordingly. The committee recommends that the Northern Beaches Hospital develop, publish and implement a community participation and engagement plan that validates consumers' role and guides the hospital to engage better with the community it serves.
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Recommendation 23

That the Northern Beaches Hospital develop, publish and implement a community participation and engagement plan that:

- recognises the fundamental value of consumer perspectives for the planning, delivery and evaluation of health services
 - guides the hospital to engage better with the community it serves.
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Appendix 1 Submissions

No	Author
1	Dr Caroline Rogers
2	Name suppressed
3	Confidential
4	Dr Carolyn West
5	Name suppressed
6	Robin Bailey
7	Mr Richard Liverpool
8	Ms Britta Hüttel
9	Name suppressed
10	Name suppressed
11	Marian Gill
12	Name suppressed
13	Name suppressed
14	Dr Leonie Seaton
15	Mr Rob Abbott
15a	Mr Rob Abbott
16	Name suppressed
17	Name suppressed
18	Mr David Owen
19	Name suppressed
20	Mrs Allison Bosley
21	Name suppressed
22	Mr Jason Smith
23	Name suppressed
24	Name suppressed
25	Name suppressed
26	Name suppressed
27	Mr John Dorrington
28	Name suppressed
29	Name suppressed
30	Name suppressed
31	Name suppressed

No	Author
32	Name suppressed
33	Mr Max Oliver
34	Mr Terry Fitzgerald
35	Ms Sandy Tall
36	Ms Penny Hunstead
37	Name suppressed
38	Name suppressed
39	Confidential
40	Name suppressed
40a	Name suppressed
40b	Name suppressed
40c	Name suppressed
41	Ms Barbara Kendall
42	Confidential
43	Name suppressed
44	Dr Elana Roseth
45	Name suppressed
46	Name suppressed
47	Mrs Suzanne Bell
48	Mr Brett Jeffries
49	Ms Penny Auburn
50	Name suppressed
51	Mr Marc Kaufmann
52	Name suppressed
53	Mrs Darien Northcote
54	Name suppressed
55	Dr Teri Merlyn
56	Confidential
57	Mr John Golden
58	Ms Jane Rich
59	Mr Max Brown
60	Name suppressed
61	Name suppressed
62	Mr David Clark

No	Author
63	Name suppressed
64	Name suppressed
65	Name suppressed
66	Mrs Yvonne Cairns
67	Name suppressed
68	Ms Kerry Ritson
69	Ms Jacqueline Byrne
70	Confidential
71	Name suppressed
72	Name suppressed
73	Name suppressed
74	Mr David Loomes
75	Name suppressed
76	Mrs Dorothy Waterhouse
77	Mr Wayne Doyle
78	Name suppressed
79	Name suppressed
80	Mrs Penelope Kerr
81	Name suppressed
82	Mr Michael Searle
83	Mrs Marilyn Smith
84	Name suppressed
85	Confidential
86	Name suppressed
87	Ms Rana Ouwelant
88	Name suppressed
89	Name suppressed
90	Ms Dale Kentwell
91	Mr Kevin Milner
92	Mrs Anne Moss
93	Name suppressed
94	Name suppressed
95	Name suppressed
96	Name suppressed

No	Author
97	Ms Zena Carter
98	Ms Ros Treloar
99	Confidential
100	Name suppressed
101	Plenary
102	Ms Miranda Minter
103	Public Services International
104	Name suppressed
105	Name suppressed
106	Name suppressed
107	Name suppressed
108	Health Services Union
109	Mr Paul Cunningham
110	Name suppressed
111	Palm Beach and Whale Beach Association
111a	Palm Beach and Whale Beach Association
112	Sydney North Health Network
113	Northern Beaches Greens
114	Name suppressed
115	Name suppressed
116	Name suppressed
117	Name suppressed
118	Name suppressed
119	Healthscope Ltd
119a	Healthscope Ltd
120	Name suppressed
121	Save Mona Vale Hospital Community Action Group Incorporated
122	Name suppressed
123	Olwyn Sayers
124	Ms Lavinia Waller
124a	Ms Lavinia Waller
125	Ms Heidi Todd
126	Ms Gabrielle Grimbacher
127	Name suppressed

No	Author
128	Name suppressed
129	Mr Keith Woodward
130	Ms Lindy Crozier
131	Mr Rob Abbott
132	Ms Shirley Phelps
133	Name suppressed
134	Name suppressed
135	Name suppressed
136	Mr Rodney Polain
137	Mrs Jennifer Nicholls
138	Name suppressed
139	Mrs Sandra Rim
140	Mrs Gina Zouroudis
141	Mrs Debbie Watt
142	Mr Jeffrey Quinn
143	Name suppressed
144	Mr Grahame Martin
145	Name suppressed
146	Mr David Bartolo
147	Mr Neil Dummett
148	Ms Sue Martin
149	Mr David Murray
150	Name suppressed
151	Name suppressed
152	Mr Christopher Fieldhouse
153	Name suppressed
154	Ms Diana Scali
155	Name suppressed
156	Ms Janine Clark
157	Mrs Annabel Fieldhouse
158	Carol Moran
159	Mr Tim Cooper
160	Name suppressed
161	Mrs Ann Sharp

No	Author
162	Confidential
163	Confidential
164	Mr Ryan Park MP
165	Name suppressed
166	Name suppressed
167	Name suppressed
168	Name suppressed
169	Confidential
170	Friends of Northern Beaches Maternity Services
171	Ms Emily Ashton
172	Confidential
173	Name suppressed
174	Name suppressed
175	Name suppressed
176	Dr Kenneth Hughes
177	Mr David Collins
178	Name suppressed
179	Name suppressed
180	Name suppressed
181	Name suppressed
182	Name suppressed
183	Name suppressed
184	Name suppressed
185	Confidential
186	Name suppressed
187	Name suppressed
188	Name suppressed
189	Name suppressed
190	Mr John Gagen
191	Confidential
192	Mr Paul Davidson
193	Ms Barbara Butt
194	Clareville and Bilgola Plateau Residents Association Incorporated
195	Dr Jonathan King

No	Author
196	Name suppressed
197	Name suppressed
197a	Name suppressed
198	Ms Gloria Looby
199	Health Care Complaints Commission
200	NSW Nurses and Midwives' Association
201	Name suppressed
202	Confidential
203	Mr Hubert Habicht
204	Ms Michele Clendining
205	Community Care Northern Beaches
206	Mr Barry Shepherdson
207	Name suppressed
208	Name suppressed
209	Ms Virginia Rigoni
210	Confidential
211	Friends of Mona Vale Hospital
212	Unions NSW
213	Name suppressed
214	Ms Mavis Bickerton
215	Name suppressed
216	Ms Skye Beckett and Matthew Beckett
217	Confidential
218	Name suppressed
219	Mr Geoff Horsnell and Sharon Horsnell
220	Mr Simon Lyon
221	Confidential
221a	Confidential
222	Name suppressed
223	Mr Mark Horton
224	NSW Health
225	Australian Salaried Medical Officers' Federation of NSW
226	Australian Society of Anaesthetists
227	Mrs Noreen Rogers and Eric Rogers

No	Author
228	Mr David Catchlove and Mary Catchlove
229	Australian Medical Association (NSW)
230	Dr Suzanne Daly
231	Dr Allan Forrest
232	Confidential
233	Dr Jonathan Page
234	Mr Donald Creed
235	Name suppressed
236	Confidential

Appendix 2 Witnesses at hearings

Date	Name	Position and Organisation
Monday 26 August 2019 Macquarie Room, Parliament House, Sydney	Dr Nigel Lyons	Deputy Secretary, Health System Strategy and Planning, NSW Ministry of Health
	Ms Deborah Willcox	Chief Executive, Northern Sydney Local Health District
	Mr Richard Royle	Interim Chief Executive Officer, Northern Beaches Hospital
	Dr Simon Woods	Interim Medical Director, Northern Beaches Hospital
	Mr Stephen Gameren	State Manager- Hospitals (NSW and ACT), Healthscope
	Mr Andrew Spillane	Director of Finance, Northern Beaches Hospital
	Mr Parry Thomas	Chairman, Save Mona Vale Hospital Community Action Group
	Mr Phillip Walker	Honorary Secretary, Friends of Mona Vale Hospital
	Mrs Helena Mooney	Co-Founder, Friends of Northern Beaches Maternity Services
	Dr Tony Sara	President, Australian Salaried Medical Officers' Federation of NSW
	Dr Anthony Joseph	Senior Staff Specialist, Emergency Department and Director of Trauma, Royal North Shore Hospital and NSW State Councillor, Australian Salaried Medical Officers' Federation of NSW
	Mr Brett Holmes	General Secretary, NSW Nurses and Midwives' Association and Branch Secretary, Australian Nursing and Midwifery Federation NSW
Mr Dennis Ravlich	Manager, Member Industrial Services Team, NSW Nurses and Midwives' Association	

Date	Name	Position and Organisation
	Mr Kieran Dalton	Australian Nursing and Midwifery Federation Branch Organiser, Northern Beaches Hospital
	Mr Gerard Hayes	Secretary, Health Services Union NSW
	Mr Brendan Roberts	Organiser, Health Services Union NSW
Monday 23 September 2019 Macquarie Room, Parliament House, Sydney	Professor Richard West	Visiting Medical Officer Surgeon, Royal Prince Alfred Hospital and President, Palm Beach and Whale Beach Association
	Dr Suzanne Daly	Newport General Practitioner
	Dr Jonathan King	Historian, author and local resident
	Dr Caroline Rogers	Local General Practitioner
	Dr Elana Roseth	Local General Practitioner
	Ms Fiona Davies	Chief Executive Officer, Australian Medical Association (NSW)
	Dr Fred Betros <i>via teleconference</i>	Board Member, Honorary Treasurer and Former Hospital Practice Committee Chair of the Australian Medical Association (NSW)
Tuesday 5 November 2019 Macquarie Room, Parliament House, Sydney	Dr Jonathan Page	Medical Oncologist
	Dr Allan Forrest	Ear, Nose and Throat Surgeon, North Shore Private Hospital and Dalmar Private Hospital
	Mr Andrew Newton	Chief Executive Officer, Northern Beaches Hospital
	Mr Andrew Spillane	Director of Finance, Northern Beaches Hospital
	Dr Andy Ratchford	Director, Emergency Department, Northern Beaches Hospital
	Mr Stephen Gameren	State Manager – Hospitals (NSW and ACT), Healthscope

Date	Name	Position and Organisation
	Ms Susan Pearce	Deputy Secretary Patient Experience and System Performance, NSW Ministry of Health
	Ms Deborah Willcox	Chief Executive, Northern Sydney Local Health District

Appendix 3 Minutes

Minutes no. 1

Wednesday 5 June 2019

Portfolio Committee No. 2 - Health

Room 1136, Parliament House, Sydney at 1.30 pm

1. Members present

Mr Donnelly (*Chair*)

Ms Faehrmann (*Deputy Chair*)

Mr Amato

Mr Fang

Ms Hurst

Mrs Maclaren-Jones

Mr Secord

2. Tabling of resolution establishing the Committee

The Clerk tabled the resolution of the House establishing the committee, which reads as follows:

1. Seven portfolio committees reflecting government ministers' portfolio responsibilities be appointed as follows:

- (a) **Portfolio Committee No. 1 – Premier and Finance**

Premier

Treasury

Special Minister of State, Public Service and Employee Relations, Aboriginal Affairs and the Arts

Finance and Small Business

Jobs, Investment, Tourism and Western Sydney

The Legislature

- (b) **Portfolio Committee No. 2 – Health**

Health and Medical Research

Mental Health, Regional Youth and Women

- (c) **Portfolio Committee No. 3 – Education**

Education and Early Childhood Learning

Skills and Tertiary Education

- (d) **Portfolio Committee No. 4 – Industry**

Regional New South Wales, Industry and Trade

Agriculture and Western New South Wales

Water, Property and Housing

- (e) **Portfolio Committee No. 5 – Legal Affairs**

Attorney General and Prevention of Domestic Violence

Police and Emergency Services

Counter Terrorism and Corrections

Sport, Multiculturalism, Seniors and Veterans

Families, Communities and Disability Services

- (f) **Portfolio Committee No. 6 – Transport and Customer Service**

Regional Transport and Roads

Transport and Roads

Customer Service
Better Regulation and Innovation

- (g) **Portfolio Committee No. 7 – Planning and Environment**
Planning and Public Spaces
Energy and Environment
Local Government.

Referral of inquiries

2. A committee:
 - (a) is to inquire into and report on any matter relevant to the functions of the committee which is referred to the committee by resolution of the House, and
 - (b) may self-refer an inquiry into any matter relevant to the public administration of portfolios allocated to the committee.
3. A committee meeting to consider a self-reference under paragraph 2(b) must be convened at the request of any three committee members in writing to the Committee Clerk.
4. The Committee Clerk must convene a meeting within seven days of the receipt of the request, providing that members are given at least 24 hours' notice.
5. A majority of committee members is required to adopt the self-reference.
6. Whenever a committee resolves to self-refer a matter, the terms of reference are to be reported to the House on the next sitting day.

Membership

7. Each committee is to consist of seven members, comprising:
 - (a) three government members,
 - (b) two opposition members, and
 - (c) two crossbench members.

Chair and Deputy Chair

8. The committee is to elect the Chair and Deputy Chair in accordance with the standing orders.
9. The Chair of the committee is to be a non-government member.

Conduct of committee proceedings

10. Unless the committee decides otherwise:
 - (a) submissions to inquiries are to be published, subject to the Committee Clerk checking for confidentiality and adverse mention and, where those issues arise, bringing them to the attention of the committee for consideration,
 - (b) attachments to submissions are to remain confidential,
 - (c) the Chair's proposed witness list is to be circulated to provide members with an opportunity to amend the list, with the witness list agreed to by email, unless a member requests the Chair to convene a meeting to resolve any disagreement,

- (d) the sequence of questions to be asked at hearings is to alternate between opposition, crossbench and government members, in that order, with equal time allocated to each,
- (e) transcripts of evidence taken at public hearings are to be published,
- (f) supplementary questions are to be lodged with the Committee Clerk within two days, excluding Saturday and Sunday, following the receipt of the hearing transcript, with witnesses requested to return answers to questions on notice and supplementary questions within 21 calendar days of the date on which questions are forwarded to the witness, and
- (g) answers to questions on notice and supplementary questions are to be published, subject to the Committee Clerk checking for confidentiality and adverse mention and, where those issues arise, bringing them to the attention of the committee for consideration.

3. Election of Chair

The Clerk called for nominations for the Chair.

Mr Secord moved: That Mr Donnelly be elected Chair of the committee.

There being no further nominations, the Clerk declared Mr Donnelly elected Chair.

4. Election of Deputy Chair

Mr Donnelly took the Chair.

The Chair called for nominations for Deputy Chair.

Mrs Maclaren-Jones moved: That Mr Fang be elected Deputy Chair of the committee.

Ms Hurst moved: That Ms Faehrmann be elected Deputy Chair of the committee.

Mrs Maclaren moved: That Mr Fang's nomination for Deputy Chair be withdrawn.

There being no further nominations, the Chair declared Ms Faehrmann elected Deputy Chair.

5. Conduct of committee proceedings – Media

Resolved, on the motion of Mr Fang: That unless the committee decides otherwise, the following procedures are to apply for the life of the committee:

- the committee authorise the filming, broadcasting, webcasting and still photography of its public proceedings, in accordance with the resolution of the Legislative Council of 18 October 2007
- the committee webcast its public proceedings via the Parliament's website, where technically possible
- committee members use social media and electronic devices during committee proceedings unobtrusively, to avoid distraction to other committee members and witnesses
- media statements on behalf of the committee be made only by the Chair.

6. Correspondence

The Committee noted the following items of correspondence:

Received

- 20 December 2018 – Letter from the Hon Ray Williams MP, Minister for Multiculturalism, Minister for Disability Services, to the Clerk of the Parliaments, providing the government's response to the report into the Implementation of the National Disability Insurance Scheme and the provision of disability services in New South Wales
- 8 January 2019 – Email from an individual to Portfolio Committee No. 2, regarding a child protection matter
- 21 January 2019 – Letter from the Hon Brad Hazzard MP, Minister for Health, Minister for Medical Research, to the Clerk of the Parliaments, providing the government's response to the report on the Provision of drug rehabilitation services in regional, rural and remote New South Wales.

Sent

- 8 January 2019 – Email from secretariat responding to a previous correspondent to Portfolio Committee No. 4 – Legal Affairs regarding a child protection matter.

Resolved, on the motion of Ms Faehrmann: That the following correspondence be kept confidential, as per the recommendation of the secretariat, as it contains identifying and/or sensitive information.

- 8 January 2019 – Email from an individual to Portfolio Committee No. 2, regarding a child protection matter
- 8 January 2019 – Email from secretariat responding to a previous correspondent to Portfolio Committee No. 4 – Legal Affairs regarding a child protection matter.

7. **Publication of minutes of the first meeting**

Resolved, on the motion of Mr Fang: That the committee publish the minutes of the first meeting on the committee's webpage, subject to the draft minutes being circulated to members.

8. **Other business**

Mr Secord discussed his notice of motion for the House to refer an inquiry into the operation and management of the Northern Beaches Hospital to the committee.

9. **Adjournment**

The committee adjourned at 1.40 pm, *sine die*.

Madeleine Foley
Committee Clerk

Minutes no. 2

Thursday 13 June 2019

Portfolio Committee No. 2 - Health

McKell Room, Parliament House, Sydney at 10.01 am

1. **Members present**

Mr Donnelly (*Chair*)

Ms Faehrmann (*Deputy Chair*)

Mr Fang

Ms Hurst

Mr Khan

Mrs Maclaren-Jones (*by teleconference*)

Mr Secord

2. **Correspondence**

The committee noted the following items of correspondence:

Received

- 11 June 2019 – Email from the Hon Natasha Maclaren-Jones, to secretariat, advising that the Hon Lou Amato will be substituted by the Hon Trevor Khan for the duration of the inquiry.

3. **Inquiry into the operation and management of the Northern Beaches Hospital**

3.1 Terms of reference

The committee noted the referral on 6 June 2019 of the following terms of reference:

1. That Portfolio Committee No. 2 – Health inquire into and report on the operation and management of the Northern Beaches Hospital, and in particular:
 - (a) the contract and other arrangements establishing the hospital,

- (b) changes to the contract and other arrangements since the opening of the hospital
- (c) ongoing arrangements for the operation and maintenance of the hospital,
- (d) standards of service provision and care at the hospital
- (e) staffing arrangements and staffing changes at the hospital,
- (f) the impact of the hospital on surrounding communities and health facilities, particularly Mona Vale Hospital, Manly Hospital and Royal North Shore Hospital
- (g) the merits of public private partnerships for the provision of health care, and
- (h) any other related matter.

2. That the committee report by the first sitting day in 2020.

3.2 Proposed timeline

Resolved, on the motion of Ms Hurst: That the committee adopt the following inquiry timeline:

- submission closing date – 28 July 2019
- four hearing dates – one in August, September and October and a fourth reserve hearing date in late October/early November
- a half-day site visit – preferably in the morning and in between the first and second hearings.

3.3 Stakeholder list

Resolved, on the motion of Mr Secord: That the secretariat email members with a list of stakeholders to be invited to make written submissions, and that members have until 10 am Monday 17 June to nominate additional stakeholders.

3.4 Advertising

Resolved, on the motion of Mr Secord: That the committee advertise the inquiry in the Saturday edition of the Manly Daily, subject to the Chair's consideration of a quote.

In addition, the inquiry will be advertised via Twitter, Facebook, stakeholder letters and a media release distributed to all media outlets in New South Wales.

4. Adjournment

The committee adjourned at 10.20 am, *sine die*.

Madeleine Foley
Committee Clerk

Minutes no. 5

Monday, 26 August 2019

Portfolio Committee No. 2 - Health

Macquarie Room, Parliament House, Sydney at 9.45 am

1. Members present

Mr Donnelly, *Chair*

Ms Hurst, *Deputy Chair*

Ms Faehrmann

Mr Fang

Mrs Maclaren-Jones

Mr Mallard (substituting for Mr Khan)

Mr Secord

2. Previous minutes

Resolved, on the motion of Ms Hurst: That draft minutes no. 4 be confirmed.

3. Correspondence

The committee noted the following items of correspondence:

Received

- 22 June 2019 – Correspondence from an individual to the committee, regarding her recent experience at the Northern Beaches Hospital.
- 1 July 2019 – Correspondence from an individual to the committee, regarding a family member's recent negative experience at the Northern Beaches Hospital.
- 10 July 2019 – Correspondence from an individual to the committee, providing a list of potential witnesses for the hearing.
- 14 July 2019 – Correspondence from an individual to the committee, regarding her husband's recent negative experience at the Northern Beaches Hospital.
- 11 July 2019 - Correspondence from the Hon Brad Hazzard, Minister for Health and Medical Research to the Chair, providing confirmation of site visit to the Northern Beaches Hospital.
- 22 July 2019 – Correspondence from Ms Nola Kadwell to the committee, regarding her husband's recent experience at the Northern Beaches Hospital and to keep Mona Vale Hospital open.
- 23 July 2019 – Correspondence from an individual to the committee, regarding her concerns about the Northern Beaches Hospital.
- 23 July 2019 – Correspondence from an individual to the committee, regarding how Mona Vale Hospital needs to be retained.
- 23 July 2019 - Correspondence from Mr Roger Bruce to the committee, regarding the impact of Mona Vale Hospital's closure on the Northern Beaches Hospital.
- 24 July 2019 - Correspondence from Mr Stephen Fisher to the committee, urging that Mona Vale Hospital should be retained and upgraded.
- 27 July 2019 – Correspondence from Mr Paul and Mrs Vicki Martin to the committee, raising concerns about the distance to travel to Northern Beaches Hospital.
- 28 July 2019 – Correspondence from Mr Gregory Ross to the committee, urging that the Mona Vale Hospital be reinstated and have its services complement those of Northern Beaches Hospital.
- 28 July 2019 – Correspondence from Dr Elana Roseth to the committee, providing an amended copy of her submission to replace what has been published.
- 28 July 2019 - Correspondence from an individual to the committee, regarding the lack of courtesy given to her husband at the Northern Beaches Hospital.
- 28 July 2019 – Correspondence from an individual to the committee, regarding her husband's recent negative experience at the Northern Beaches Hospital.
- 29 July 2019 – Correspondence from Dr Jonathan King, on behalf of Professor Richard West, to the committee, requesting that Professor West appear as a witness at a hearing into the Northern Beaches Hospital inquiry.
- 13 August 2019 – Correspondence from Mr Will Wrathall, Team Leader Community Development, Northern Beaches Council, to the committee, advising that the Northern Beaches Council declines to make a submission to the inquiry.
- 15 August 2019 – Correspondence from an individual to the committee, providing further information in relation to the terms of reference.
- 22 August 2019 - Correspondence from Ms Cate Faehrmann to the Chair, resigning as Deputy Chair of Portfolio Committee 2.
- 23 August 2019 – Correspondence from the Hon. Natasha Maclaren-Jones, Government Whip, to the secretariat, advising that the Hon. Shayne Mallard will be substituting the Hon. Trevor Khan at the hearing on 26 August 2019.

Sent

- 25 June 2019 – Letter from the Chair, Portfolio Committee No. 2 to the Hon Brad Hazzard, Minister for Health and Medical Research, requesting a site visit to the Northern Beaches Hospital.

Resolved, on the motion of the Ms Hurst: That the committee keep confidential the correspondence received from individuals, as per their request, dated:

- 22 June 2019
- 1 July 2019
- 10 July 2019
- 14 July 2019
- 23 July 2019
- 28 July 2019
- 15 August 2019.

Resolved, on the motion of the Mr Fang: That the committee publish Dr Elana Roseth's replacement submission.

4. Election of Deputy Chair

The Chair called for nominations for Deputy Chair.

Ms Faehrmann moved: That Ms Hurst be elected Deputy Chair of the committee.

Mrs Maclaren-Jones moved: That Mr Fang be elected Deputy Chair of the committee.

The Chair informed the committee that, there being two nominations, a ballot would be held.

The Chair announced the results of the ballot as follows:

Ms Hurst – 4 votes

Mr Fang – 3 votes.

Ms Hurst, having a majority of the members present and voting, was therefore declared elected Deputy Chair of the committee.

5. Inquiry into the operation and management of the Northern Beaches Hospital

5.1 Public submissions

The committee noted that the following submissions were published by the committee clerk under the authorisation of the resolution appointing the committee: submission nos. 1, 4, 6-8, 11, 14-15, 18, 20, 27, 34-36, 41, 44, 47-49, 51, 55, 57-59, 62, 66, 68-69, 74, 76-77, 80, 82-83, 87, 90-92, 97-98, 101-103, 108, 111-113, 119, 121, 123-126, 129-132, 136-137, 139, 142, 144, 146-149, 152, 154, 156-159, 161, 164, 170-171, 176, 190, 192-195, 198, 200, 203-206, 209, 211-212, 2014, 216, 219-220 and 223-229.

5.2 Partially confidential submissions

Name suppressed submissions

Resolved, on the motion of the Ms Faehrmann: That the committee authorise the publication of submission nos. 2, 5, 9-10, 12-13, 16-17, 19, 21, 23-26, 28-29, 32, 37-38, 40a, 40c, 43, 45, 50, 52, 54, 61, 63-65, 67, 71-73, 75, 78-79, 81, 86, 88-89, 93-96, 100, 104-107, 110, 114-115, 118, 120, 122, 127-128, 133-135, 138, 143, 145, 150-151, 153, 155, 160, 165-168, 173-175, 178-184, 186-189, 197-197a, 201, 207, 213, 215, 218 and 222 with the exception of the author's name, which is to remain confidential, as per the request of the author.

Submissions to be considered for partial confidentiality (as identified by the secretariat)

Resolved, on the motion of Mr Mallard: That the committee authorise the publication of submissions nos. 22, 30, 31, 33, 40, 40b, 46, 53, 60, 84, 109, 117, 140-141, 177 and 208, with the exception of:

- the names and identifying information of third party individuals and external medical clinics, which is to remain confidential, at the recommendation of the secretariat
- highlighted sections of submission no. 116 and 196, which is to remain confidential, at the request of the author.

5.3 Confidential submissions

Resolved, on the motion of Mrs Maclaren-Jones: That the committee keep submission nos. 3, 39, 42, 56, 70, 85, 99, 162-163, 169, 172, 185, 191, 202, 210, 217 and 221 confidential, as per the request of the author.

Resolved, on the motion of Mr Secord: That confidential submissions be distributed to members without the submission author's name on the cover page.

Resolved, on the motion of Mr Secord: That the secretariat contact the authors of submission no. 199, requesting specific reasons as to why their submission should be kept confidential.

5.4 Video submission

Resolved, on the motion of Ms Hurst: That the committee accept and publish the video under 'Other Documents' on the inquiry webpage.

5.5 Site visit

The committee noted that there was a half day site visit to the Northern Beaches Hospital in the morning on Friday, 27 September 2019.

5.6 Public hearing

Witnesses, the public and the media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following witnesses were sworn and examined:

- Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Ministry of Health
- Ms Deborah Willcox, Chief Executive, Northern Sydney Local Health District.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Richard Royle, Interim Chief Executive Officer, Northern Beaches Hospital
- Dr Simon Woods, Interim Medical Director, Northern Beaches Hospital
- Mr Stephen Gameron, State Manager – Hospitals (NSW/ACT), Healthscope
- Mr Andrew Spillane, Director of Finance, Northern Beaches Hospital.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Parry Thomas, Chairman, Save Mona Vale Hospital Community Action Group
- Mr Phillip Walker, Honorary Secretary, Friends of Mona Vale Hospital
- Mrs Helena Mooney, Co-Founder, Friends of Northern Beaches Maternity Services.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Dr Tony Sara, President, Australian Salaried Medical Officers Federation of NSW
- Dr Anthony Joseph FACEM, Senior Staff Specialist, Emergency Department and Director of Trauma, Royal North Shore Hospital and NSW State Councillor, Australian Salaried Medical Officers Federation of NSW.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Brett Holmes, General Secretary, NSW Nurses and Midwives' Association and Branch Secretary, Australian Nursing and Midwifery Federation NSW
- Mr Dennis Ravlich, Manager, Member Industrial Services Team, NSW Nurses and Midwives' Association
- Mr Kieran Dalton, Australian Nursing and Midwifery Federation Branch Organiser, Northern Beaches Hospital
- Mr Gerard Hayes, Secretary, Health Services Union NSW
- Mr Brendan Roberts, Organiser, Health Services Union NSW.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 5.00 pm.

The public and media withdrew.

Mrs Maclaren-Jones tabled three photographs of a rally organised by the Save Mona Vale Hospital Community Action Group.

Resolved, on the motion of Mrs Maclaren-Jones: That the committee accept the following documents tendered during the public hearing:

- Photographs of rally organised by the Save Mona Vale Hospital Community Action Group.

6. Adjournment

The committee adjourned at 5.10 pm, until 9.15 am, Tuesday 3 September 2019, Jubilee Room (Mental Health, Regional Youth and Women).

Madeleine Foley

Committee Clerk

Minutes no. 7

Thursday 5 September 2019

Portfolio Committee No. 2 - Health

Macquarie Room, Parliament House, Sydney, at 9.16 am

1. Members present

Mr Donnelly, *Chair*

Ms Hurst, *Deputy Chair (until 5.00 pm)*

Mr Banasiak (*participating until 11.30 am*)

Ms Faehrmann (*from 9.16 am until 10.57 am, and from 2.00 pm until 5.00 pm*)

Mr Fang (*from 9.16 am until 11.30 am, and from 3.17 pm until 4.00 pm*)

Mrs Houssos (*participating until 5.00 pm*)

Mr Khan (*substituting for Mr Amato until 4.00 pm*)

Mrs Maclaren-Jones

Mr Mason-Cox (*substituting for Mr Fang from 2.00 pm until 3.17 pm*)

Mr Secord

2. Correspondence

The committee noted the following items of correspondence:

Received

- 28 August 2019 – Email from Mr Antony Whitehouse, Executive Officer, Complaints Operations, Health Care Complaints Commission, to the secretariat, advising that should the committee decide to publish the Commission's submission to the inquiry into the operation and management of the Northern Beaches Hospital, the Commission will not object
- 29 August 2019 – Email from Ms Abbie Chugg, Parliamentary Liaison Officer, Office of the Hon Brad Hazzard MP, Minister for Health and Medical Research, to the secretariat, requesting that Mr Phil Minns, Deputy Secretary, People, Culture and Governance, Ministry of Health attend the Budget Estimates hearing
- 2 September 2019 – Email from Ms Abbie Chugg, Parliamentary Liaison Officer, Office of the Hon Brad Hazzard MP, Minister for Health and Medical Research, to the secretariat, requesting that Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning Division, NSW Ministry of Health, attend the Budget Estimates hearing.

3. Inquiry into the operation and management of the Northern Beaches Hospital

Resolved, on the motion of Mr Khan: That the committee authorise the publication of submission no. 199.

4. Inquiry into Budget Estimates 2019-2020

4.1 Government questions and allocation of questioning

Resolved on the motion of Ms Hurst: That the portfolio of Health and Medical Research be examined as follows:

- (a) from 9.30 am to 11.30 am, with no government questions, and the opposition and cross bench allocated 20 minutes of questioning each and any time remaining divided evenly
- (b) from 2.00 pm to 5.00 pm, with no government questions, and the opposition and cross bench allocated 20 minutes of questioning each and any time remaining divided evenly
- (c) 6.00 pm to 7.00 pm, with the opposition, crossbench and government allocated 20 minutes of questioning each, such that government questions take place between 6.40 pm and 7.00 pm.

4.2 Public hearing: Budget Estimates 2019-2020 – Health and Medical Research

Witnesses, the public and the media were admitted.

The Hon Minister Brad Hazzard MP, Minister for Health and Medical Research was admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters. The Chair noted that members of Parliament swear an oath to their office, and therefore do not need to be sworn prior to giving evidence before a committee.

The Chair also reminded the following witnesses that they did not need to be sworn, as they had been sworn at another Budget Estimates hearing for the same committee:

- Ms Elizabeth Koff, Secretary, NSW Health
- Mr Phil Minns, Deputy Secretary, People, Culture and Governance, Ministry of Health
- Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning Division, NSW Ministry of Health.

The following witnesses were sworn:

- Mr Daniel Hunter, Chief Financial Officer, NSW Health
- Dr Kerry Chant, Chief Health Officer, NSW Ministry of Health
- Ms Carmen Rechbauer, Chief Executive Officer, Health Share NSW
- Ms Susan Pearce, Deputy Secretary, Patient Experience and System Performance, NSW Health.

The Chair declared the proposed expenditure for the portfolio of Health and Medical Research open for examination.

The Minister and departmental witnesses were examined by the committee.

The Minister withdrew at 11.36 am.

The public hearing continued.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 5.00 pm.

The public and media withdrew.

4.3 Supplementary hearings

Resolved, on the motion of Mrs Maclaren-Jones: That the committee defer its decision on whether to hold supplementary hearings for the portfolio of Health and Medical Research, until after the return of answers to supplementary questions.

4.4 Witnesses after 6.00 pm

Resolved, on the motion of Mrs Maclaren-Jones: That as members have no further questions for witnesses, witnesses be advised that they will not be required to attend the hearing scheduled to commence at 6.00 pm today.

5. Adjournment

The committee adjourned at 6.01 pm, *sine die*.

Merrin Thompson/Madeleine Foley
Committee Clerk

Minutes no. 8

Monday 23 September 2019
Portfolio Committee No.2 - Health
Macquarie Room, Parliament House, 9.47 am

1. Members present

Mr Donnelly, *Chair*
Ms Hurst, *Deputy Chair*
Ms Faehrmann
Mr Fang
Mrs Maclaren-Jones (from 10.32 am)
Mr Secord (left at 11.50 am and returned at 2.00 pm)

2. Apologies

Mr Khan

3. Correspondence

The Committee noted the following items of correspondence:

Received

- 29 July 2019 – Correspondence from an individual to the committee, providing information with reference to Northern Beaches Hospital and inquiry
- 3 September 2019 – Correspondence from the office of the Hon Emma Hurst MLC to the secretariat, advising that the Hon Mark Pearson MLC will be substituting for Ms Hurst at the site visit to the Northern Beaches Hospital on 27 September 2019
- 3 September 2019 – Correspondence from Mrs Helena Mooney, Co-founder of Friends of Northern Beaches Maternity Services, to the committee, providing further information to her evidence given at the hearing on 23 August 2019.

Resolved on the motion of Ms Hurst: That the committee:

- keep correspondence from an individual to the committee, providing information with reference to Northern Beaches Hospital and inquiry, received 29 July 2019, confidential to the committee.
- authorise the publication of correspondence from Mrs Helena Mooney, Co-founder of Friends of Northern Beaches Maternity Services, to the committee, providing further information to her evidence given at the hearing on 23 August, received 3 September 2019.

4. Inquiry into the operation and management of the Northern Beaches Hospital

4.1 Public submissions

The following submissions were published by the committee clerk under the authorisation of the resolution appointing the committee: submission nos. 231 and 233-234.

4.2 Partially confidential submissions

Resolved on the motion of Mr Fang: That the committee authorise the publication of submission no. 230 with the exception of the names and identifying information of third party individuals and external medical clinics, which is to remain confidential, at the recommendation of the secretariat.

4.3 Confidential submissions

Resolved on the motion of Ms Hurst: That the committee keep submission no. 232 confidential, as per the request of the author.

4.4 Answers to questions on notice and supplementary questions

Resolved, on the motion of Mr Fang: That the committee authorise the publication of answers to questions on notice and supplementary questions received from:

- Mr Parry Thomas, Chairman, Save Mona Vale Hospital Community Action Group – received 16 September 2019
- Mr Dennis Ravlich, Manager, Member Industrial Services Team, NSW Nurses and Midwives' Association – received 17 September 2019
- Mr Gerard Hayes, Secretary, Health Services Union NSW – received 18 September 2019
- Australian Salaried Medical Officers' Federation of NSW – received 19 September 2019
- NSW Health, including attachment A – received 20 September 2019
- Healthscope – received 20 September 2019.

4.5 Full Health Education and Training Institute (HETI) accreditation report

Resolved, on the motion of Mr Secord: That the Chair write to Healthscope in the first instance to request a copy of the HETI full accreditation report.

4.6 Site visit to Northern Beaches Hospital

The committee noted the draft program for the site visit to the Northern Beaches Hospital on Friday 27 September 2019. Members further noted the hospital's request that anyone feeling unwell on the day not attend.

4.7 Public hearing

Witnesses, the public and the media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following witnesses were sworn and examined:

- Associate Professor Richard West, Visiting Medical Officer (VMO) Surgeon, Royal Prince Alfred Hospital and President, Palm Beach and Whale Beach Association
- Dr Suzanne Daly, Newport General Practitioner
- Dr Jonathan King, Historian, author and local resident.

Mrs Maclaren-Jones arrived at 10.32 am.

A/Professor West tabled the following documents:

- Opening statement
- NSW Health, Guide to the role delineation of clinical services (2018).

Dr King tabled the following document:

- Opening statement.

Dr Daly tabled the following documents:

- Opening statement
- Summary and examples of systemic problems (not teething) with NBH and Ambulance service.

The evidence concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Dr Caroline Rogers, Local General Practitioner
- Dr Elana Roseth, Local General Practitioner.

The evidence concluded and the witnesses withdrew.

Mr Secord left the meeting at 11.50 am.

The following witness was sworn and examined:

- Ms Fiona Davies, Chief Executive Officer, Australian Medical Association (NSW).

The following witness appeared via teleconference and was sworn and examined:

- Dr Fred Betros, Board Member, Honorary Treasurer and Former Hospital Practice Committee Chair, Australian Medical Association (NSW).

The evidence concluded and the witnesses withdrew.

The public and the media withdrew.

The public hearing concluded at 12.45 pm.

Resolved on the motion of Mr Secord: That the committee accept and publish the following documents tendered during the public hearing:

- Opening statement, tendered by A/Professor Richard West
- NSW Health, Guide to the role delineation of clinical services (2018), tendered by A/Professor Richard West
- Opening statement, tendered by Dr Jonathan King
- Opening statement, tendered by Dr Suzanne Daly.

Resolved, on the motion of Ms Faehrmann: That the committee accept and authorise the partial publication of the following document, with identifying and sensitive information suppressed, subject to consultation with the witness:

- Summary and examples of systemic problems (not teething) with NBH and Ambulance service, tendered by Dr Suzanne Daly.

4.8 *In camera* hearing

Resolved, on the motion Mr Secord: That the committee proceed to take evidence *in camera*.

The committee proceeded to take *in camera* evidence.

Persons present other than the committee: Madeleine Foley, Merrin Thompson, Helen Hong, Elise Williamson, Tina Mrozowska and Hansard reporters.

The following witness was sworn and examined:

- Witness A.

The evidence concluded and the witness withdrew.

The following witness was sworn and examined:

- Witness B.

The evidence concluded and the witness withdrew.

The following witness was sworn and examined:

- Witness C.

The evidence concluded and the witness withdrew.

The following witness was sworn and examined:

- Witness D.

The evidence concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Witness E
- Witness F.

The evidence concluded and the witnesses withdrew.

The *in camera* hearing concluded at 5.00 pm.

4.9 Potential publication of *in camera* evidence

Resolved, on the motion of Ms Faehrmann: That the secretariat liaise with each of the *in camera* witnesses regarding potential publication of their evidence, with identifying and other sensitive information suppressed.

4.10 Witnesses for the 5 November 2019 hearing

The committee noted that it previously agreed via email that Dr Jonathan Page give evidence on 5 November 2019 as he was unable to attend on 23 September 2019.

Resolved, on the motion of Ms Hurst: That that the *in camera* witness facilitated by Mr Parry Thomas be invited to give evidence on 5 November 2019 as they were unable to attend on 23 September 2019.

Resolved, on the motion of Ms Hurst: That the following witnesses be invited to give evidence on 5 November 2019:

- Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Ministry of Health
- Ms Deborah Willcox, Chief Executive, Northern Sydney Local Health District
- Mr Richard Royle, Interim Chief Executive Officer, Northern Beaches Hospital
- Dr Simon Woods, Interim Medical Director, Northern Beaches Hospital
- Mr Stephen Gameren, State Manager – Hospitals (NSW/ACT), Healthscope
- Mr Andrew Spillane, Director of Finance, Northern Beaches Hospital.

Resolved, on the motion of Ms Hurst: That members propose via email other witnesses to be invited to give evidence on 5 November 2019.

5. Adjournment

The committee adjourned at 5.11 pm, until 9.50 am, Friday 27 September 2019, Northern Beaches Hospital (site visit).

Merrin Thompson
Committee Clerk

Minutes no. 9

Friday 27 September 2019
Portfolio Committee No. 2 - Health
Northern Beaches Hospital, Frenchs Forrest

1. Members present

Mr Donnelly, Chair
Mr Fang
Mrs McLaren-Jones
Mr Pearson (substituting for Ms Hurst)
Mr Secord

2. Apologies

Ms Faehrmann
Mr Khan

3. Inquiry into the management and operation of the Northern Beaches Hospital

3.1 Site visit to the Northern Beaches Hospital

The committee visited the Northern Beaches Hospital and received a briefing and tour with the following representatives:

- Dr Simon Woods, Director of Medical Services, Northern Beaches Hospital
- Mr Andrew Newton, Chief Executive Officer, Northern Beaches Hospital
- Ms Fiona Allsop, Director of Nursing, Northern Beaches Hospital
- Mr Andrew Spillane, Chief Financial Officer, Northern Beaches Hospital
- Mr Richard Royle, Senior Advisor, Northern Beaches Hospital
- Mr James Stormon, Client Representative, Director, Northern Beaches Hospital Relationships, Northern Sydney Local Health District
- Ms Jessica Zinghini, Graduate Management Trainee, Northern Sydney Local Health District

4. Adjournment

The committee adjourned at 12.09 pm until Tuesday 5 November 2019 (*public hearing*).

Merrin Thompson
Committee Clerk

Minutes no. 13

Tuesday 5 November 2019

Portfolio Committee No.2 - Health

Macquarie Room, Parliament House, Sydney at 9.15 am

1. Members present

Mr Donnelly, *Chair*

Ms Hurst, *Deputy Chair*

Ms Faehrmann

Mr Fang

Mr Mallard (*substituting for Mr Kban*)

Mr Secord

2. Apologies

Mrs Maclaren-Jones

3. Previous minutes

Resolved, on the motion of Mr Fang: That draft minutes nos. 8 and 9 be confirmed.

4. Correspondence

The Committee noted the following items of correspondence:

Received

- 30 October 2019 – Correspondence from an individual to the committee, providing tangential information with reference to Northern Beaches Hospital and inquiry.
- 31 October 2019 – Correspondence from an individual to the committee, providing information with reference to the Northern Beaches Hospital and inquiry.

Sent

- 26 September 2019 – Letter from Chair to Mr Richard Royle, Interim Chief Executive Officer, Northern Beaches Hospital, requesting an update on the status of Health Education Training Institute full accreditation and a copy of the report in due course.

Resolved on the motion of Mr Fang: That the committee keep the correspondence received on 30 and 31 October 2019 confidential, as per the recommendation of the secretariat, as it contains identifying and/or sensitive information.

5. Inquiry into the operation and management of the Northern Beaches Hospital

5.1 Public submissions

The following submissions were published by the committee clerk under the authorisation of the resolution appointing the committee: submission no. 111a and 119a.

Resolved, on the motion of Ms Faehrmann: That the committee authorise the publication of submission no. 15a.

5.2 Partially confidential submissions

Resolved, on the motion of Ms Hurst: That the committee authorise the publication of submission no. 235, with the exception of identifying and/or sensitive information which is to remain confidential, as per the request of the author.

5.3 Confidential submissions

Resolved, on the motion of Mr Fang: That the committee keep submission no. 221a confidential, as per the request of the author.

5.4 Answers to questions on notice

Resolved, on the motion of Ms Hurst: That the committee authorise the publication of the answers to questions on notice from Ms Fiona Davies, Australian Medical Association, received 24 October 2019.

5.5 Presentation slides from site visit to Northern Beaches Hospital

Resolved, on the motion of Mr Fang: That the committee authorise the publication of the presentation slides from site visit to Northern Beaches Hospital on 27 September 2019, subject to checking with Healthscope.

5.6 *In camera* transcript for the 23 September 2019 hearing

The Committee noted that all *in camera* witnesses have indicated that they do not wish for any of their transcript of evidence to be published.

5.7 Reference to confidential evidence during hearings

Members were reminded that confidential oral and written evidence should not be discussed in a public hearing. Issues should only be referred to in general terms with care not to identify the witness.

5.8 Public hearing

Witnesses, the public and the media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters.

The following witness was sworn and examined:

- Dr Jonathan Page, medical oncologist, formerly employed at Northern Beaches Hospital.

The evidence concluded and the witness withdrew.

The following witness was sworn and examined:

- Dr Allan Forrest, ear, nose and throat surgeon, North Shore Private Hospital and Dalmar Private Hospital.

Dr Forrest tended the following document:

- Opening statement.

The evidence concluded and the witness withdrew.

The following witnesses were examined on their former oath:

- Mr Andrew Spillane, Director of Finance, Northern Beaches Hospital
- Mr Stephen Gamenen, State Manager – Hospitals (NSW/ACT), Healthscope.

The following witnesses were sworn and examined:

- Mr Andrew Newton, Chief Executive Officer, Northern Beaches Hospital
- Dr Andy Ratchford, Director, Emergency Department, Northern Beaches Hospital.

The evidence concluded and the witnesses withdrew.

The following witness was examined on her former oath:

- Ms Deborah Willcox, Chief Executive, Northern Sydney Local Health District.

The following witness was sworn and examined:

- Ms Susan Pearce, Deputy Secretary Patient Experience and System Performance, NSW Ministry of Health.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 1.05 pm.

The public and media withdrew.

Resolved on the motion of Mr Mallard: That the committee accept and publish the following documents tendered during the public hearing:

- Opening statement, tendered by Dr Forrest.

6. Adjournment

The committee adjourned at 1.06 pm until Tuesday, 25 February 2020 (*report deliberative*).

Merrin Thompson

Committee Clerk

Draft minutes no. 15

Friday 21 February 2020

Portfolio Committee No.2 – Health

Room 1136, Parliament House, Sydney at 10.03 am

1. Members present

Mr Donnelly, *Chair*

Ms Hurst, *Deputy Chair*

Ms Faehrmann

Mr Fang

Mr Khan

Mrs Maclaren-Jones

Mr Secord

2. Previous minutes

Resolved on the motion of Mr Fang: That draft minutes no.13 be confirmed.

3. Correspondence

The committee noted the following items of correspondence:

Received

- 12 July 2019 – Email from Ms Kirsten Mulley, Managing Partner, Public Affairs, GRACosway, to the committee, attaching the Health, Education and Training Institute (HETI) reports dated 10 December 2018 and 17 January 2019
- 31 July 2019 – Letter from Mr John Illingsworth to the committee, providing a USB stick with a video submission for the Northern Beaches Hospital inquiry
- 6 January 2020 – Correspondence from Mr Andrew Newton, Chief Executive Officer, Northern Beaches Hospital, to the committee, attaching the Health, Education and Training Institute (HETI) report dated September 2019.

The committee noted that it resolved via email to publish the final HETI accreditation report dated September 2019.

Resolved, on the motion of Ms Faehrmann: That the committee publish the two HETI reports dated December 2018 and January 2019, and the cover letter from HETI to Healthscope accompanying the December 2018 report.

4. Inquiry into the operation and management of the Northern Beaches Hospital

4.1 Partially confidential submissions

Resolved, on the motion of Mr Khan: That the committee authorise the publication of submission 235, with the exception of identifying and/or sensitive information which are to remain confidential, as per the recommendation of the secretariat.

4.2 Confidential submissions

Resolved, on the motion of Mr Khan: That the committee keep submission no. 236 confidential, as per the request of the author.

4.3 Answers to questions on notice and supplementary questions

The committee noted that the following answers to questions on notice and supplementary questions were published by the committee clerk under the authorisation of the resolution appointing the committee:

- answers to questions on notice and supplementary questions from Ms Holly Mandlik, Business Partner, Executive and Ministerial Service, NSW Ministry of Health, received 6 December 2019
- answers to questions on notice and supplementary questions from Ms Kirsten Mulley, Managing Partner, Public Affairs, GRACosway, received 9 December 2019.

4.4 Consideration of Chair's draft report

The Chair submitted his draft report, entitled 'Operation and management of the Northern Beaches Hospital', which, having been previously circulated, was taken as being read.

Resolved, on the motion of Mrs Maclaren Jones: That the following new paragraph be inserted before paragraph 1.10:

'The delivery and management of health services and hospital redevelopments through public private partnerships is not new to New South Wales. In 1994 a Liberal National Coalition Government entered into a 20 year agreement with a private operator for the Port Macquarie Hospital to be built, owned and operated. The Orange Hospital redevelopment opened in 2007 and the Royal North Shore Hospital opened in 2008 as PPPs, including financing, design, construction and management in the contract, and for both hospitals, the contracts were entered into under Labor Governments.'

Resolved, on the motion of Mrs Maclaren Jones: That the following new paragraph be inserted after paragraph 2.26:

'The AMA (NSW) submission recognised that with the right conditions the PPP models can work well and 'despite the operational and management challenges faced early on by the Northern Beaches Hospital, it is too soon to declare the project a failure'. The AMA (NSW) cited Western Australia's Joondalup Health Campus as an example, which 'is now seen as a successful public private healthcare venture'.'

Resolved, on the motion of Ms Faehrmann: That paragraph 3.125 be amended by omitting 'litany and severity of' and inserting instead 'extent and serious nature of some of the'.

Resolved, on the motion of Mr Khan: That paragraph 3.126 be amended by omitting 'woefully' before 'inadequate and substandard'.

Mr Khan moved: That paragraph 3.126 be amended by omitting 'It is an understatement to say that the committee was shocked to hear from numerous inquiry participants about the' and inserting instead 'There was a'.

Ms Faehrmann moved: That the motion of Mr Khan be amended in paragraph 3.126 by omitting 'It is an understatement to say that'.

Amendment of Ms Faehrmann put.

The committee divided.

Ayes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord.

Noes: Mr Fang, Mr Khan, Mrs Maclaren-Jones.

Amendment of Ms Faehrmann resolved in the affirmative.

Original question of Mr Khan, as amended, put and passed.

Mrs Maclaren-Jones moved: That paragraph 3.127 be omitted.

Question put.

The committee divided.

Ayes: Mr Fang, Mr Khan, Mrs Maclaren-Jones.

Noes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord.

Question resolved in the negative.

Mrs Maclaren-Jones moved: That paragraph 3.128 be amended by omitting 'The junior medical doctors have demonstrated their resilience and commitment to patient care, despite having to adjust to a private hospital culture and structure, being understaffed, working excessive hours and lacking support from management. The committee believes that the JMOs were pushed exceptionally hard, working unreasonable hours and subject to dangerous working environments.'

Question put.

The committee divided.

Ayes: Mr Fang, Mr Khan, Mrs Maclaren-Jones.

Noes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord.

Question resolved in the negative.

Mr Fang moved: That paragraph 3.135 be amended by omitting 'not justifiable in any way and must never happen again' and inserting instead 'far from optimal'.

Ms Faehrmann moved: That the motion of Mr Fang be amended by inserting instead 'inexcusable'.

Amendment of Ms Faehrmann put and passed.

Original question of Mr Fang, as amended, put and passed.

Mr Khan moved: That paragraph 3.136 be omitted.

Question put.

The committee divided.

Ayes: Mr Fang, Mr Khan, Mrs Maclaren-Jones.

Noes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord.

Question resolved in the negative.

Mrs Maclaren-Jones moved: That paragraphs 4.72 to 4.76 be omitted.

Question put.

The committee divided.

Ayes: Mr Fang, Mr Khan, Mrs Maclaren-Jones

Noes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord

Question resolved in the negative.

Mr Fang moved: That paragraphs 4.97 to 4.102 be omitted.

Question put and negatived.

Mrs Maclaren Jones moved: That paragraph 4.122 be amended by omitting : 'understandable fear and frustration because of the lack of information and transparency to date' and inserting instead 'lack of information'.

Question put.

The committee divided.

Ayes: Mr Fang, Mr Khan, Mrs Maclaren-Jones

Noes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord

Question resolved in the negative.

Resolved, on the motion of Mr Khan: That paragraph 4.124 be amended by omitting 'lingering' before 'questions remain about'.

Resolved, on the motion of Mr Khan: That paragraph 4.124 be amended by omitting after 'services available to public and private patients.':

'We take up discussion of the hospital's role delineation in the following chapter, but for now, we observe that if we as a committee of the Parliament, who have undertaken an inquiry into the Northern Beaches Hospital, are unclear about the precise service delivery levels of the hospital, how much less clear must members of the public be? There is currently no place where community members can access this information and make informed decisions about how they access care.'

Resolved, on the motion of Ms Faehrmann: That the following new committee comment and recommendation be inserted after recommendation 4:

Further, in the committee's view, Healthscope should ensure that appropriate signage is erected at the hospital's points of admission which notifies patients of their right to treatment as a public patient at no cost.

Recommendation X

That Healthscope ensure that appropriate signage is erected at the Northern Beaches Hospital's points of admission which notifies patients of their right to treatment as a public patient at no cost.

Mrs Maclaren-Jones moved: That paragraph 4.135 be amended by:

- a) omitting 'reduction of' and inserting instead 'changes to'
- b) inserting 'and Northern Beaches Hospital offers services that Mona Vale and Manly did not' after 'did at Mona Vale'.

Question put.

The committee divided.

Ayes: Mr Fang, Mr Khan, Mrs Maclaren-Jones

Noes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord

Question resolved in the negative.

Ms Faehrmann moved: That recommendation 5 be amended by inserting a new dot point at the end:

- 'ensuring outpatient services for public patients are bulk billed.'

Question put.

The committee divided.

Ayes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord

Noes: Mr Fang, Mr Khan, Mrs Maclaren-Jones

Question resolved in the affirmative.

Ms Faehrmann moved: That the following new committee comment and recommendation be inserted before after paragraph 4.37:

In addition, the committee recommends that the Northern Sydney Local Health District work with Healthscope to extend the option for midwife group practice to all patients and provide birthing baths in all birthing suites.

Recommendation X

That the Northern Sydney Local Health District work with Healthscope to extend the option for midwife group practice to all patients and provide birthing baths in all birthing suites.

Question put.

The committee divided.

Ayes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord

Noes: Mr Fang, Mr Khan, Mrs Maclaren-Jones

Question resolved in the affirmative.

Ms Faehrmann moved: That the following committee comment and finding be inserted before paragraph 4.138:

'As a finding of this report, the committee considers that the public private partnership model underpinning the Northern Beaches Hospital, resulting in public patient services being delivered in an otherwise private hospital, has the potential to negatively affect people from lower socioeconomic backgrounds residing in the catchment.

Finding

That the public private partnership model underpinning the Northern Beaches Hospital, resulting in public patient services being delivered in an otherwise private hospital, has the potential to negatively affect people from lower socioeconomic backgrounds residing in the catchment.'

Mr Fang moved: That the motion of Ms Faehrmann be amended by omitting 'the public private partnership model underpinning' and inserting instead 'The outpatient model adopted at'.

Amendment of Mr Fang put.

The committee divided.

Ayes: Mr Fang, Mr Khan, Mrs Maclaren-Jones

Noes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord

Amendment of Mr Fang resolved in the negative.

Original question of Ms Faehrmann put.

The committee divided.

Ayes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord

Noes: Mr Fang, Mr Khan, Mrs Maclaren-Jones

Question resolved in the affirmative.

Resolved, on the motion of Mr Secord: That the following new paragraph and recommendation be inserted after recommendation 7:

'As outlined in paragraphs 1.8 and 1.9 of the report, NSW Health and the North Sydney Local Health District have publicised widely the medical and health services currently available at the Mona Vale

Hospital site. However, it is not clear that members of the community fully appreciate what is being promoted as currently available from the Mona Vale Hospital site. To help to restore community confidence, the committee believes that an audit should be undertaken by NSW Health on the complete range of medical and health services on the Mona Vale Hospital site, to confirm that what is currently available accords precisely with what has been produced in both written and electronic form and is in the public domain. Further, that information regarding the services be continuously updated as they develop and evolve.

Recommendation X

That NSW Health undertake an audit on the complete range of medical and health services on the Mona Vale Hospital site to confirm that what is currently available accords precisely with what has been produced in both written and electronic form and is in the public domain. Further, that information regarding the services be continuously updated as the services develop and evolve.'

Ms Faehrmann moved: That recommendation 7 be amended by omitting 'an' and inserting instead 'a public level 3'.

Question put.

The committee divided.

Ayes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord

Noes: Mr Fang, Mr Khan, Mrs Maclaren-Jones

Question resolved in the affirmative.

Resolved, on the motion of Mr Secord that the following new paragraph and recommendation be inserted after the new recommendation after recommendation 7:

'As noted above, the committee does recognise the networked approach that is used to deliver health and medical services. The committee appreciates the long and successful history of the Mona Vale Hospital in delivering high quality medical and health services to the residents of the central and northern parts of the Peninsula. It is particularly clear from the evidence to the inquiry that the residents of these parts of the Northern Beaches want the Mona Vale Hospital site to flourish and expand its range of medical and health services. To this end, the committee believes that NSW Health and the North Sydney Local Health District should, on an ongoing basis, positively consider opportunities to expand both the range and availability of medical and health services that are offered at the Mona Vale Hospital.'

Recommendation X

That NSW Health and the North Sydney Local Health District, on an ongoing basis, positively consider opportunities to expand both the range and availability of medical and health services that are offered at the Mona Vale Hospital.'

Resolved, on the motion of Ms Faehrmann: That recommendation 10 be amended by:

- a) inserting 'regular' before 'direct bus service'
- b) inserting 'Palm Beach on' before 'the Pittwater Peninsula'.

Resolved, on the motion of Ms Faehrmann: That the following new committee comment and recommendation be inserted after recommendation 10:

The committee further considers that the NSLHD and Healthscope should formally request, on behalf of the residents of the Northern Beaches, that Transport for NSW look at alternative options to widening the Wakehurst Parkway given flooding and other environmental constraints.

Recommendation X

That the Northern Sydney Local Health District and Healthscope formally request, on behalf of the residents of the Northern Beaches, that Transport for NSW look at alternative options to widening the Wakehurst Parkway given flooding and other environmental constraints.

Ms Faehrmann moved: That recommendation 11 be amended by inserting at the end, ', and that 99 year or other similar long term leasing arrangements not be entered into for the sites'.

Question put.

The committee divided.

Ayes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord

Noes: Mr Fang, Mr Khan, Mrs Maclaren-Jones

Question resolved in the affirmative.

Ms Faehrmann moved: That the following new paragraph and recommendation be inserted after recommendation 11:

The committee further considers that the NSW Government should cease demolition of the Mona Vale Hospital main building after asbestos removal is complete and retain this public asset for future use.

Recommendation X

That the NSW Government cease demolition of the Mona Vale Hospital main building after asbestos removal is complete and retain this public asset for future use.

Question put.

The committee divided.

Ayes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord

Noes: Mr Fang, Mr Khan, Mrs Maclaren-Jones

Question resolved in the affirmative.

Resolved, on the motion of Mr Khan: That paragraph 6.72 be amended by omitting 'We feel tremendously for the many clinical staff who' and inserting instead 'The committee heard evidence from clinical staff that, in their words, they'.

Resolved, on the motion of Mr Khan: That paragraph 6.72 be amended by omitting 'It is difficult to comprehend that the hospital would place its staff and patients in this position' and inserting instead 'The committee is concerned that staff and patients were put in this position'.

Mr Khan moved: That paragraph 6.74 be omitted.

Question put.

The committee divided.

Ayes: Mr Fang, Mr Khan, Mrs Maclaren-Jones.

Noes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord.

Question resolved in the negative.

Resolved, on the motion of Ms Faehrmann: That Recommendation 13 be amended by inserting ', including health clinics,' after 'community based services'.

Mr Khan moved: That:

- a) paragraph 7.62 be omitted
- b) Recommendation 16 be omitted.

Question put.

The committee divided.

Ayes: Mr Fang, Mr Khan, Mrs Maclaren-Jones.

Noes: Mr Donnelly, Ms Faehrmann, Ms Hurst, Mr Secord.

Question resolved in the negative.

Ms Faehrmann moved: That the following new recommendation be inserted after Recommendation 16:

'Recommendation X

That the NSW Government amend its contract with Healthscope to ensure that the Northern Beaches Hospital is able to reopen, at least in part, as a public hospital.'

Question put.

The committee divided.

Ayes: Ms Faehrmann, Ms Hurst.

Noes: Mr Donnelly, Mr Fang, Mr Khan, Mrs Maclaren-Jones, Mr Secord.

Question resolved in the negative.

Resolved, on the motion of Mr Secord: That:

The draft report, as amended, be the report of the committee and that the committee present the report to the House;

The transcripts of evidence, submissions, tabled documents, answers to questions on notice and supplementary questions, and correspondence relating to the inquiry be tabled in the House with the report;

Upon tabling, all unpublished attachments to submissions be kept confidential by the committee;

Upon tabling, all unpublished transcripts of evidence, submissions, tabled documents, answers to questions on notice and supplementary questions, and correspondence relating to the inquiry, be published by the committee, except for those documents kept confidential by resolution of the committee;

The committee secretariat correct any typographical, grammatical and formatting errors prior to tabling;

The committee secretariat be authorised to update any committee comments where necessary to reflect changes to recommendations or new recommendations resolved by the committee;

Dissenting statements be provided to the secretariat within 24 hours after receipt of the draft minutes of the meeting;

That the report be tabled on Thursday, 27 February 2020.

5. Adjournment

The committee adjourned at 12.42 pm.

Merrin Thompson
Committee Clerk

