

## **INQUIRY INTO OPERATION AND MANAGEMENT OF THE NORTHERN BEACHES HOSPITAL**

**Organisation:** Australian Society of Anaesthetists

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The Director, Portfolio Committee No 2  
Health, Parliament House  
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Sydney  
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By Email: [portfolioCommittee2@parliament.nsw.gov.au](mailto:portfolioCommittee2@parliament.nsw.gov.au)

Dear Hon Greg Donnelly MLC,

Inquiry into the operation and management of the Northern Beaches Hospital (NBH)

Thank you for the opportunity to provide feedback on the inquiry into the operation and management of the Northern Beaches Hospital (NBH) ('the hospital').

Formed in 1934, the Australian Society of Anaesthetist (ASA) is a not-for-profit member-funded organisation dedicated to supporting and connecting Australian anaesthetists. The ASA is one of the largest and leading medical associations in Australia, delivering a range of services to its members. Our membership consists of specialist anaesthetist, anaesthetic trainees and non-specialist medical practitioners with the primacy focus on providing high quality anaesthetic and related services to the community.

**1. The arrangements establishing the hospital**

The Australian Medical Association (AMA), doctors' groups and other interested parties have raised concerns with both the hospital management and the state's health ministry about contractual issues for medical personnel, conflicting duties for junior resident medical staff caring for private patients and potential staff shortages, even before the facility became operational in early November 2018.

From the start, the operation of the hospital exposed problems highlighting Healthscope's poor planning. From the beginning, this resulted in elective surgery cancelation on many occasions, a major under-estimation of emergency attendances and significant delays for patients to have required emergency surgery. This was reported in the Sydney Morning Herald on 19 November 2018.

On 23 of November 2018 the ABC reported Mr. Brad Hazzard (NSW Minister for Health) describing the problems around a state of art hospital as a "teething challenges", while Mr.

Daley (the NSW opposition leader) said "Inexplicably the Premier and the Health Minister are still referring to this debacle as a hiccup and a teething problem" and called on the Premier to appoint an independent auditor to assess the internal problems.

The ASA is of the opinion that the hospital became fully operational too quickly without adequate resources, preparation and planning. The transition from Manly and Mona Vale hospitals to Northern Beaches Hospital could have been staged over a longer period of time allowing for smoother transition.

## **2. Contract arrangements offered to Visiting Medical Officers by the hospital.**

The precedence in NSW is to have the NSW AMA negotiate on behalf of doctors where contract issues have been in dispute with hospitals and local health districts. The ACCC granted NSW AMA the authorization to negotiate on behalf of Visiting Medical Officers (VMO's) for five years until 16 December 2022 (Authorization number: A91590).

The ASA were thus precluded from any direct involvement in the NBH contract negotiations. However due to our position as an organisation representing anaesthetists, we received many complaints from our members that made it clear that NBH management was not engaging in a meaningful way nor were they communicating with the medical staff nor the AMA.

Most of the complains from our members can be summarised as follows:

1. Long before the hospital opened, anaesthetists identified potential problems related to the running of the hospital including the structure of the operating lists (Private, public, mixed) and patient allocation, equity of work distribution, on-call allocation, teaching and accreditation. These concerns were communicated to the NBH management and up to four weeks prior to starting the hospital little or no feedback was received. Examples of these issues:
  - 1.1. Anaesthetists were not allowed to become involved early enough to set up important structures like Pre-admission Clinic (PAC), labour ward protocols, transfusion protocols, pain protocols etc.
  - 1.2. NBH failed to appoint a Head of the anaesthetic department in a transparent way in breach of the hospital by-laws, creating a period of confusion and lack of leadership, which impacted on the running of the hospital at its early stages.
  - 1.3. Surgeons by default have the choice to elect for the list to be private, public or mixed. Having no clear guideline about how the structure can change or by what method or timeframe created a problem for anaesthetists which remains an ongoing issue. For instance, public lists are being paid on sessional bases, while for private lists the

anaesthetic fees will be generated from billing the insurance fund/patient, leaving mixed lists (contains a mix of public and private patients) with unpredictable payment as the list can be under-utilized and any delays between cases (even if the delay is not the anaesthetist fault) will not be paid. This leads to a reduction in income even though the anaesthetist must hold him/herself available for the entire session. The result is uncertainty regarding the obligations of the anaesthetist and emergency work.

2. Healthscope indicated that VMOs contracts will be comparable to the NSW health awards, however when the contracts were released there was a significant difference. For example:
  - 2.1. The definition of ordinary working days was extended to include weekends, removing weekend penalty rates which were in the previous contracts at Manly and Mona Vale Hospital.
  - 2.2. The NSW Public Hospitals determination states that an anaesthetist will be notified regarding list cancellation at least **28 days in advance**, otherwise the anaesthetist will be remunerated for the session. In Healthscope contract at the hospital, the cancellation time was decreased to less than 14 days notice. Adequate cancellation notice is important to an anaesthetist to minimize disadvantages from list cancellation and securing alternative work in that session.
  - 2.3. Superannuation is paid inclusive to all service fees rather than in addition to the hourly rate and the VMOs have no choice as to which fund their Super is paid. This is in contrast to the NSW Health system and in the wider community where superannuation at currently 9.5% and is paid on top of the published hourly rates and into the Fund of the employees choice.
  - 2.4. The hourly rate is therefore effectively decreased by 9.5% to accommodate superannuation pay, and Super is not linked to changes in the public rate or CPI.
  - 2.5. Leave Notification. VMO need to provide 6 weeks of written notice to Healthscope for leave. Instead of 4 weeks in the public system.

### **3. Online payment portal was difficult to use and requiring constant modification.**

We understand that NBH is a privately owned hospital and rules around employment, contracts, pay and running of the hospital can be differ from that expected from a NSW Health public hospital although it is true that there are many differences between NSW public hospitals). However, VMOs were told to expect the same remuneration and conditions as provided under the NSW Health VMO Determinations. The ASA believes that making critical

changes to the contract without adequate warning or discussion, and with a limited period allowed to execute the contract is fair and reasonable. When the contracts were released little time was allowed to sign the contracts. VMOs needed time to study the new contract, understand the implications of the changes in the contract compared with the Manly/Mona Vale Contracts that they were under previously, seek advice and have the option to negotiate the terms and conditions. In an atmosphere of duress from NBH and confusion regarding the implications of the contract offered together with a lack of communication from NBH, a majority of the VMOs signed out of fear of losing their main livelihood.

#### **4. Changes to the contract and other arrangements since the opening of the hospital.**


Through our correspondence with the management of NBH, Mr Stephen Gameren (the outgoing acting CEO), has acknowledged that many of the original assumptions made prior to opening proved to be incorrect, creating challenges to the running of NBH. We understand that many problems have been addressed or are in the process of being addressed including the VMOs' contracts that are due for renewal in the latter part of 2019. We would hope that in the near future the management will be true to its promise and address VMOs and community concerns in a positive way and implement changes that will improve the working conditions of the staff in order to better meet community expectations. We know that NBH staff at all levels have played a skilled and professional role in ensuring the safe running of the hospital.

#### **5. The impact of the hospital on surrounding communities and health facilities, particularly Mona Vale Hospital, Manly Hospital and Royal North Shore Hospital**

No comments

#### **6. The merits of public private partnership arrangements for the provision of health care**

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. The importance of properly setting up an running these institutions, ensuring both public and private patients have ready access to appropriate medical and nursing care requires the institution of a slightly different model of care beyond the scope of this submission.



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 aging population, advances in technology and increases in the cost of medical services is bound to have a significant 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.

## **7. Conclusion**

I would like to thank the Hon. Greg Donnelly and his committee members for their commitment to public awareness and debate on the importance of public private partnership in health provision for the NSW community as whole and I wish the parliamentary committee all the best in their difficult task. Facilitating future policy-making around provision of health to NSW and ensuring greater government accountability is safeguard for a thriving democratic society.

Please contact \_\_\_\_\_, Policy Manager on \_\_\_\_\_ or via email to \_\_\_\_\_  
in the first instance should you require additional information.

Yours sincerely,

