Submission No 618

INQUIRY INTO HEALTH OUTCOMES AND ACCESS TO HEALTH AND HOSPITAL SERVICES IN RURAL, REGIONAL AND REMOTE NEW SOUTH WALES

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Inquiry into Health Outcomes and Services in Rural, Regional and Remote NSW

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Over the past twenty years the profound changes in rural hospitals throughout NSW and Australia have impacted on the quality, safety and timely delivery of health care to rural Australians.

The amazing technological advances in Australian health care have also provided significant improvement to health outcomes for most people, however, these advances are not readily accessible to rural communities.

The vast majority of the improved technological resources have been dedicated to Tertiary hospitals in major city locations therefore requiring regional patients to travel for their care. Most importantly, in acute and critical situations local rural hospitals are fundamentally under resourced to be able to treat or even diagnose these acute and chronically ill patients. The situation has been exacerbated by the fact that many regional and rural hospitals have lost key operational capabilities such as operating theatres, many basic diagnostics including medical imaging, birthing, blood transfusions, dedicated resident medical practitioners, mental health services, fracture clinics, oncology, diabetes and dialysis to name but a few. The days of the local hospital being a mini version of a city hospital are well and truly consigned to history. The mythical country hospital as a mini replica of its city cousin is no longer operating - and we as a society need to consider what is an alternative health delivery model because right now, the system is not working.

In my local hospital, less than 10% of patients presenting to the Emergency Department are admitted as an inpatient. The remainder of ill patients are transported out of the local area for treatment. My local hospital has more than 2000 emergency department patients present per year (2019 and 2020) who are classified as very ill. (Category 1,2 and 3 combined), but clinical staff are unable to admit the majority because of the lack of resources to safely treat these patients. This is only a portion of the emergency presentations per year. They amount to more than 5500 each year.

The imperative challenge for the NSW Government today is to develop a working rural hospital model that will give accessible health delivery to country communities that will ensure “comparable health outcomes and access to health and hospital services to those who live in metropolitan areas.”

This requires a major review and audit of rural health resources and concomitant delivery which must examine technological advancements such as monitoring equipment, telehealth, key diagnostics to clinically determine health status in situ in order to make

informed, safe decisions that are in the best interest of the patient, accompanied by the employment of key clinical, operational staff to manage a new age of health delivery.

Much of the fundamental problems are associated with the Australian funding model for hospital and health care in this nation. There is a need to carefully and forensically examine the Activity Based Funding model that seriously disadvantages rural and remote hospitals where inadequate clinical and administrative resources simply do not allow the draconian requirements of justifying payment through the Administrator of the National Health Funding Pool, at the individual patient level. The devil is absolutely in the detail. The SNSWLHD faced a 20million dollar budget shortfall in 2019 through the lack of resources to comply with this methodology and federal Funding was withheld.

(Reference: SNSWLHD Board Minutes …. is noted from the minutes of the SNSWLHD Board meeting, 13 June 2019, the following Performance Summary Report:

> "The CE noted that the under-delivery in the LHD's ABF sites and financial overrun is the reason for the LHD's escalation to level two. Monthly Ministry meetings will occur and will focus on strategies to reduce expenses.")

It should be noted that the Federal Health Ministry has pledged through the National Health Reform Agreement – from July 2012 the following:

- "Commonwealth will fund **45%** of **efficient growt**h from July 2014, increasing to 50% from July 2017."
- Block funded hospitals: Commonwealth will fund 45% of growth in **efficient cost** from July 2014, increasing to 50% from July 2017."

Note: Bold italics are written in the pledge – not mine.

The reality is that Australia wide 2018 Federal ABF funding contributions amounted to 43.8% and Block funded contributions amounted to 33.8% of the total. (Ref: Fig 1 Public Hospital Funding Payment Flows -administrator_ 2017-18_ annual report). The shortfall was paid by individual states and was billions of dollars.

Therefore the question I ask is this: "Are states, including NSW, unable to capture "EFFICIENT" services efficiently? What are the administrative and clinical issues at frontline sites that will facilitate and enable the maximum Commonwealth rebate from for services provided by NSW hospitals?"

Furthermore, the NSW Government needs to examine the cost of transporting and treating its patients remotely from its rural hospitals. This cost is considerable both for private individuals, hospital ambulances and chronically ill folk who require constant care. In a recent survey, the Yass Hospital Community Consultative Committee determined accessibility in all forms, was a major problem for country people. The Australian Capital Territory is surrounded by NSW regions and is the tertiary hospital designated for many small hospitals in South Eastern NSW. This strategy of using ACT tertiary hospitals has resulted in a dramatic increase in cross border payments over the past five years. The question must be asked whether a steadily increasing cross border payment is the most efficient use of funds or whether an injection of key diagnostic infrastructure, namely Magnetic Resonance Imaging, CAT scanners, Point of Care pathology accompanied by virtual

care technology may be a better use of financial resources. I note that the SNSWLHD does NOT have ONE MRI instrument over some 44,534 square kilometres but the ACT has 9 such instruments, most in private enterprise hands.

I note that in the past five years, NSW payments to the ACT government for hospital care for NSW residents are as follows.

Cross Border Payments to the ACT Government from NSW Government

For NSW Residents treated in ACT Hospitals

2014	**$76,725,000.00**
2015	**$87,471,000.00**
2017	**$93,600,000.00**
2018	**$95,400.000.00**
2019	**$99,120,000.00**

(Ref: National Health Funding Pool Annual Reports 2017/18 and 2019/20)

The figures show an increase of almost 25% in five years. Is this sustainable?

The issues I have raised are compounded by bureaucratic methodologies that are hopelessly out of date and no longer fit for purpose along with disputed population data that is simply a joke -except the consequences are profound in terms of current and future planning for a reliable and accessible rural health service. Yass Hospital has Emergency Department presentations that are consistently in excess of 5,500 patients per year (AIHW data). According to AIHW data this small regional hospital has the 4th largest in ED presentations in NSW in 2017/18 within its cohort data base, a basis for comparison generated by the Bureau of Health Information. (See NSW Small and Rural Hospitals Information Technical Bulletin 2016 from BHI NSW).

And yet, using the methodology of counting occupied *inpatient* beds at midnight, the Emergency Department data and consequent need is simply not captured in any significant way. As previously mentioned, only 10% of Emergency patients presenting to Yass Hospital are admitted to the hospital and therefore the massive amount of ED Presentations are not able to be taken into account in determining resources and clinical staff for the hospital.

The situation is also exacerbated by the huge discrepancy in population projections used by the NSW Department of Planning and the Yass Valley Council who use a demographic resource company, i.d. The most recent population projections from NSW Planning in 2019 predict that in 2041 that the Yass Valley LGA will have a population of 17,100 by saying that migration will account for 100 new persons over the next twenty years and the rest will come from natural change. NSW Planning uses national trends and completely dismisses the peri urban nature of the Yass Valley surrounding Canberra -one of the fastest growing cities in Australia, - and its local migration out of the ACT. Presently the Yass Valley Council already has predicted that the Yass Valley LGA will have a population of 18,086 in 2021. Population i.d. also predicts that Yass Valley LGA will have a population of 27,315 people by 2036, a change of 51.03%. This means that the population predictions issued by the NSW

government and mandated for use by government organisations could be massively in error. Indeed, their prediction for a population in 2041 has already been surpassed by almost 1000 people in today's numbers! The methodologies employed by NSW Planning should be seriously examined as they are clearly not fit for purpose and seriously hamper realistic appraisals of population need in rapidly growing areas. A discrepancy of 10,000 people is a serious, disputed, difference and needs to be questioned. These inadequacies serve to compound problems and turn issues into crises.

It is my firm belief that Rural and Regional health delivery are at a crossroad and there is a great need for a comprehensive audit and review of potential resources, both equipment and clinical staff. This audit must address the needs for country folk, and, in particular, the need to be able to accurately diagnose conditions IN SITU so that the most efficient, timely and safe use of resources can be allocated for the maximum benefit of the patient. It must also examine technological change and begin to efficiently use diagnostics and telehealth to enhance and supplement a system that can mitigate against the tyranny of distance, providing timely, quality care to our rural and regional populations.

Yours faithfully,
Jill McGovern

References:

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3) Recent developments in federal government funding public hospitals: a quick guide by Amanda Biggs, Social Policy Section, Parliamentary Library Research papers 2018-19
4) Yass Valley Council 2019 Population Projections at www.planning.nsw.gov.au/projections
5) .idcommunity Yass valley population forecast at https://forecast.i.d.com.au/yass-valley