



ROYAL AUSTRALASIAN COLLEGE OF SURGEONS

MEDIA RELEASE

Long awaited action on health reform

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The Royal Australasian College of Surgeons has offered support for long awaited action on health reform, announced today by the Prime Minister.

An advocate of single source funding for Australian public hospitals, the College believes such a proposal would add transparency to a system which has been too easily manipulated in the past. While majority federal funding falls short of the single funding model, it is more likely to be sustainable than the current state based funding arrangements. Introducing national standards of accountability and health quality also have the potential to improve health care outcomes.

“For too long state governments have often responded to injections of federal funding into the health system by quietly cutting their own health expenditure,” College President, Professor Ian Gough said today.

“Such sleight of hand has been particularly prevalent in New South Wales and the results are there for all to see – a public hospital system on the verge of collapse. A single funding source would put an end to such practices.

“The arrangements announced today go only some of the way to a single funding source. While the Commonwealth will lift its proportion of public hospital funding from 35 per cent to 60 per cent, the states and territories will still be providing 40 per cent.”

Professor Gough offered support for some of the other proposals announced today by the Prime Minister.

“The introduction of strong national standards, and a requirement that Australians have access to transparent and nationally comparable performance data and information on hospitals, will be a major step forward. However, although it does note performance objectives, the proposal does not detail any long-term plan for managing emergency and elective surgery patients in more efficient ways.

“The College also welcomes the Prime Minister’s commitment that the new arrangements will not result in any net increase in the number of bureaucrats in the health system.”

Professor Gough expressed concern, however, about certain implications of the proposed activity based funding model.

“While the activity-based funding model proposed by the Prime Minister may ensure more appropriate payments for a given patient’s treatment, the College is extremely concerned that it undervalues, or completely ignores, the vital teaching role of our major public hospitals.

“At a time when a tsunami of young medical graduates is about to emerge from our universities, it is imperative that any new funding model for our hospitals ensures there are additional resources for the teaching and training of these new doctors. Otherwise this is just a short term fix which does nothing to address the medium to long term problems associated with caring for an ageing population.

“The looming crisis in healthcare workforce numbers will not be addressed by a funding arrangement which merely focus on the treatment of today’s sick and ignores the need to train more specialists in our hospitals. This is particularly true of surgical training where the bottleneck is caused by a shortage of funded training posts in our public hospitals.

“The College puts no cap on Trainee numbers. Fund more training posts in our hospitals – public and private – and we have the surgeons ready to do the training,” Professor Gough said.

Speaking of the principle underlying the reform package, Professor Gough said it is imperative that the Prime Minister remain true to his stated goal – a national network of hospitals run locally.

“State bureaucrats have failed to administer the system properly so it is highly unlikely that federal bureaucrats – who are even more remote from the coalface of health – will do any better. Irrespective of the governance model ultimately implemented in our hospitals, the College reiterates its strong belief that clinicians must be involved. Without clinical involvement the change management process will be more difficult and the outcomes possibly illusory.

“While the Prime Minister spoke generally of clinician involvement in the new arrangements, we wait to see detailed proposals that will ensure clinicians’ role in the management of hospitals and in the development of the nationally consistent clinical standards to which he referred.

“Today’s announcement is long overdue, and the College has shared in the general sense of frustration over the past 12 months. The College will consider the detail of the federal government’s proposals before passing more conclusive judgement on them,” Professor Gough said.

The College has been involved in every step of the federal government’s consultation process, making three submissions to the National Health and Hospitals Reform Commission and meeting with the health minister and the NHHRC. The College’s submissions can be viewed on our website at www.surgeons.org

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