



SOUTH AUSTRALIA

**AUSTRALIAN MEDICAL ASSOCIATION  
(SOUTH AUSTRALIA) INC.**

ABN 91 028 693 268

30 April 2019

Mr Stephen Wade MLC  
Minister for Health and Wellbeing  
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Dear Mr Wade

**Health Care (Governance) Amendment Bill 2019**

The AMA(SA) notes your intention to introduce to Parliament on 2 May 2019 the Health Care (Governance) Amendment Bill 2019. We thank you for the opportunity to provide feedback.

At a meeting between AMA(SA) and SA Health representatives on 16 April, it was explained that this Bill is the 'second stage' of a structural change to broader performance and accountability framework for health in this state, particularly relating to the role of the chief executive officer of SA Health and the operation of service level agreements.

The Bill was described during this meeting as 'part of the broader framework of changes and cultural changes to decentralise the system and how SA Health plays its role as system leader'.

The AMA(SA) welcomes any moves that will increase access to quality care for South Australians, no matter where they live. Our concern about this and the 2018 legislation is whether they will reduce disparity and increase access to quality care for the people of this state, and how in a 'decentralised' system, SA Health, as 'system leader', will be better able to measure, evaluate and improve services.

**Objective and rationale for change**

The AMA(SA) is yet to see the strategic intent in the measures to decentralise governance. South Australians have endured vast overhauls of the health system in recent years, and it might be argued that health has not improved through this cycle of change, which appears largely devoid of high-quality evidence to support each strategic initiative. We are concerned at the absence of any robust research, evidence or modelling with which to assess or demonstrate the likely success of yet more – albeit limited – reforms as outlined in this Bill.

We point to the 2002 *Rural Health in Rural Hands* report of Canada's Ministerial Advisory Council on Rural Health, which despite being published 17 years ago. The report and its recommended actions are based on 'a health determinants approach that recognises that economic, social and environmental factors have a significant collective influence on

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health<sup>1</sup>. The Ministerial Council established seven strategic directions to address rural health challenges provided with a clearly stated vision: 'healthy people living in healthy rural, remote, northern and Aboriginal communities'. In contrast, we cannot find an explanation for what has led to these latest south Australian legislative reforms, or how they support the achievement of SA Health's own vision<sup>2</sup> - 'the best health for South Australians' through 'strengthening primary health care', 'enhancing hospital care', reforming mental health care', 'improving the health of Aboriginal people' or a 'commitment to a health system that produces positive health outcomes by focusing on health promotion, illness prevention and early intervention'.

In addition, without clearly defined strategies, objectives and targets, we are concerned that the impacts of change may be felt most keenly in rural and remote regions, where the ramifications of 'siloes' on already under-serviced residents and a stretched health workforce will be most dramatic.

### **Medical leadership of new governance structures**

The AMA(SA) wishes to reiterate the concerns expressed in other submissions recently – including in response to the Statute Amendments (SACAT) Bill 2019 – that entities designed to oversee health matters include sufficient representation of medical practitioners. In this case, we note that it has not been mandated in the 2018 or the 2019 legislation that registered medical practitioners lead the 10 local health networks as board chairs and/or CEOs.

Evidence supports the value of medical leadership in health governance and management, and many of the best services around the world are led by medically trained personnel. Only with medical expertise at the helm of the LHNs can consumers, communities, members of the health sector, and members of the workforce in each region be confident that strategy, advice and responses capture and reflect local medical and health needs.

### **Establishment of the Commission on Excellence and Innovation in Health (mentioned in Explanatory Notes but not the Bill)**

The AMA(SA) is pleased that the State Government has chosen to appoint Professor Paddy Phillips, currently Chief Medical Officer and Chief Public Health Officer, as the first Commissioner to head the proposed Commission on Excellence and Innovation in Health.

However, we note that this Bill does not establish the Commission, so we are concerned that for the period from 1 July 2019, when this legislation takes effect, there will be no entity in South Australia to independently report on performance, investigate, gather data and provide recommendations for change. Without clear understanding of the role and functions of the Commissioner or the Commission – which we understand is still 'in the design phase'<sup>3</sup> – it is difficult to gauge whether the Commission will fulfil the valuable functions of the Health Performance Council, which you are proposing to abolish.

We would also be concerned if the Commissioner were to report solely to the CEO of SA Health, and not have direct access to the Minister. Similarly, we would query the value of a Commission that was able to report only on the public system and not include an overview of the private system and its interaction with (and resulting impacts on) the public system.

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<sup>1</sup> *Rural Health in Rural Hands*, Report of the (Canadian) Ministerial Advisory Council on Rural Health, Health Canada, November 2002, page 2

<sup>2</sup> 'vision, mission and values of SA Health',

<https://www.sahealth.sa.gov.au/wps/wcm/connect/Public+Content/SA+Health+Internet/About+us/About+SA+Health/Vision%2C+mission+and+values/>. Accessed 24 April 2019

<sup>3</sup> Health Care (Governance) Amendment Bill 2019 – Explanatory Notes, page 4

## **Dissolution of the Health Performance Council**

The AMA(SA) is concerned that in abolishing the Health Performance Council the Bill will eliminate the independent and objective oversight of the system the Council has provided since 2008. The AMA(SA) has in the past supported the Council as an independent body that investigates, gathers data and provides recommendations for change. We believe it is vital for our health system that we have in this state an independent body that can investigate and assess the performance of the state's health systems – and that can do so without fear of retribution.

The Council has additionally proven its value in examining the pieces of the health system – public and private, state and national, primary and tertiary – and the issues within it. It has also performed the role of examining the impact of programs that start and stop; to measure their success; and to pinpoint reasons, such as limited access to data or the absence of measurable targets, that such measurement may not be possible. We note, for example, that in its most recent report to you, tabled in Parliament on 4 April 2019, the Council offered advice including that in many cases, the data it sought to monitor and evaluate services was not available – including data that reported health outcomes, including patient-reported outcomes that arise from services in public and private sectors, to inform clinical improvement and policy-making. This is an onerous omission in an era when data is increasingly seen as essential to developing and guiding strategy, decision-making and performance monitoring.

In addition, the Council advised that SA Health policy-makers were not paying attention to the needs, ideas or experiences of SA Health staff – the very people on whom a high-quality, efficient system relies.

The AMA(SA) is also acutely aware that the Council has identified issues affecting vulnerable South Australians – including the aged and those at the end of their lives, people from culturally and linguistically diverse groups, Aboriginal South Australians, people in rural and remote areas, and young people. We seek reassurance that the 'decentralised' system will be responsive and have sufficient capacity to identify and address these issues, as well as serve the healthcare needs of everyone in South Australia.

The AMA(SA) wishes to ensure that the independent, objective oversight of the system the Council has provided will continue as a mandated element of the new Commission. We agree with its advice to you that the new governance framework should 'clearly (describe) how the new governing boards must work to ensure their governance reflects all dimensions of quality and safety, and access and equity, within their local health networks and collectively across the health system for all consumers and communities'.

## **System oversight**

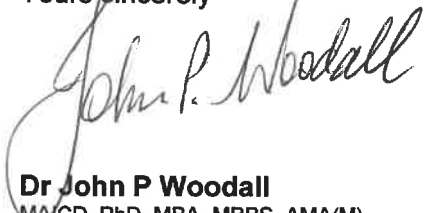
Our health system requires evidence, so we can make the right decisions based on the best knowledge available at any time. The AMA(SA) is concerned that the new governance frameworks are being introduced on 1 July 2019 without clear strategic objectives to guide change or the retention of existing structures. For example, we have only just been asked to comment on a 'design proposal' for the operating structures of regional LHNs. If such structures are only now being designed, we question the readiness of the 'new' to replace the 'old'; what may be missed in the meantime; and who will be accountable for errors that may occur.

Exemplary decisions require excellent quality of information. This applies for patients, doctors, ministers, advocates, policy makers, health service providers and government departments. Good data, an understanding of varied contexts and complexities (which abound in health), evidence and independence are all vital components.

The AMA(SA) looks forward to, and expects, change to improve a system with many flaws. There are aspects of the Bill that are not yet in the public domain, and the AMA(SA) reserves

the right to comment again on the Bill and its impact as these factors and their implications become apparent. In the meantime, we look forward to working with you and SA Health to ensure our health system is best able to help all those who need it.

Yours sincerely

A handwritten signature in black ink that reads "John P. Woodall". The signature is written in a cursive style with a large, looping initial "J".

**Dr John P Woodall**  
MAICD, PhD, MBA, MBBS, AMA(M)  
Acting Chief Executive