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Transcript: AMA President Dr Michael Gannon and AMA NSW President Prof Brad Frankum, Press Conference, Sydney, 17 February 2017

Subjects: AMA Public Health Report Card 2017

MICHAEL GANNON: Welcome everyone to the launch of the AMA Public Hospital Report Card. My name's Dr Michael Gannon, I'm the president of the Australian Medical Association and I'm joined on the stage today by Professor Brad Frankum, the president of the AMA here in New South Wales. It's a sad task to launch the report card today. It's a tale of inadequate funding in an essential element of our health system. Our public hospitals represent one of the cornerstones of care. They're where just about all of us go in an emergency setting. They're the place where that majority of Australians who don't have private health insurance and have no other choice have to go. Looking at the Government's own data, looking at data from the Australian Institute of Health and Welfare, it paints a picture of a system that is at best plateauing, and according to many metrics going backwards. There's a couple of small bits of good news with some improvements in terms of slightly less urgent elective surgery waiting times in Victoria, in Queensland, and the Northern Territory. We have a situation where the ACT has not provided data at all. But across every other metric in terms of emergency department waiting times and elective surgery waiting times, the States and Territories are plateauing or at worse going backwards.

The AMA and the States and Territories themselves welcomed the $2.9 billion of additional funding announced out of the COAG meeting in April last year, but that's a short term fix. What we're calling for is adequate funding and certainty of funding beyond 2020. The Commonwealth Government's formula of funding growth in public hospitals according to population growth and CPI will not meet the demands of public hospitals. As I'm sure many of you are aware, health CPI outstrips real CPI by a significant factor. This is sadly a story of inadequate investment in our public hospitals at the Commonwealth level, and at the State and Territory level.

I'm more than happy as is I'm sure Professor Frankum happy to take questions on the content of the report card.

QUESTION: How would you describe the situation that many doctors are now facing within our hospitals and is it putting patients at risk?

MICHAEL GANNON: Well, there is nothing in this report which says there's any failure on the behalf of the doctors, the nurses, the other dedicated health professionals who work in our public hospitals. But year on year they're being asked to do more with less. It is absolutely crystal clear that in real terms there is a fall in funding. A funding model that asserts that population growth and CPI is enough is not going to be adequate. It's inadequate because of the increasing cost of technology. It's good news that we can do so much more with advances in surgery, with advances in new medications. It's also true that people are living longer. That's something to celebrate,

but it means that someone presenting to an emergency department in 2016 is likely to be a great deal more complex a patient than they might have been 10 years ago or 20 years ago. They're more and more likely to have other co-morbidities that need to be managed.

So, what we're dealing with are doctors, nurses, other health professionals that are being asked to do more with less. They can't do that, and that's reflected in this data.

QUESTION: You mentioned that it's in a constant state of emergency. Just explain that to us, and whether a patient's at risk as a result of that.

MICHAEL GANNON: Well, patients must be at risk if they are waiting longer to be seen. These targets in terms of emergency department waiting times for different urgency categories are internationally recognised metrics. Which conditions patients must be seen within five minutes, which conditions patients must be seen within 30 minutes, which patients must be seen with four hours. This is the Government's own data, it's their own targets. The public hospitals are failing to meet these targets and in many cases they're going backwards.

QUESTION: What are the biggest failures according to the data as you see them?

MICHAEL GANNON: Well, this data does focus on two accepted metrics of performance in the public hospital system: how many people get their elective surgery done within what's accepted as the appropriate timing, and how many people are seen within the appropriate timing in an emergency department. This is the Government's own data. This is the Government's own targets, set according to international benchmarks. And it shows a system that's failing to reach the appropriate standard because of inadequate funding.

QUESTION: If you could give the hospitals a mark out of ten, a pass or a fail, what would it be?

MICHAEL GANNON: Sadly, there is a fail across the country. We are seeing these internationally recognised benchmarks of performance according to the Government's own data. There's no spin here, this is data that comes from the Australian Institute of Health and Welfare. It comes from the jurisdictions themselves, the States and Territories are required to produce this data, and it shows a system that at the very best is flat-lining, in many areas is going backwards.

QUESTION: How much more money do we need in hospitals or funding committed?

MICHAEL GANNON: Well certainly what we would have seen before the cuts that were announced two years ago is $7.9 billion over the forward estimates. The extra $2.9 billion is welcome. What we need is to stop the blame game, to stop this unedifying annual spectacle of State and Territory Health Ministers, Treasurers, Premiers and Chief Ministers arguing with the Commonwealth. For the Commonwealth to say that CPI and population growth is sufficient is failing to recognise that the costs of health care outstrip inflation in every other part of the economy.

QUESTION: In terms of pressure on the public system, what role [indistinct] is private health insurance playing, in terms of the need for reform?

MICHAEL GANNON: Well, private health insurance forms an absolutely essential platform of our universal healthcare system, and in fact in many ways it's the failings of private health insurance products that are putting additional strain on the public system. Here we have an example of a system that is under so much strain it's failing to meet its own targets in every jurisdiction in Australia, and at the same time we have people questioning the value of their private health insurance and voting with their feet. Part of the fix is to make sure that those Australians of means continue to use private hospitals where appropriate.

QUESTION: Must that be a [indistinct] indeed? [Indistinct] beginning to tackle [indistinct]?

MICHAEL GANNON: I think that it's really important to recognise how the different parts of the jigsaw fit together. The failure of our public hospitals brings starkly into focus the absolute need to appropriately fund GPs to do the amazing work they do in keeping people out of hospital. It brings into stark context the importance of investing in prevention and public health measures. They represent good value for money. One of the ways of reducing demand on the public hospital system is to invest in those other areas. Another area is to make sure that the private system is there to support the public system where appropriate.

QUESTION: Is that simply not happening at the moment, though? If you anticipate that private health insurance premiums will just continue to rise, and people will as you said vote with their feet, thereby putting even more pressure on the public system.

MICHAEL GANNON: I think what we see every year with a four per cent or a seven per cent or a nine per cent increase in private health insurance premiums is an insight into the real cost of health care and the real increase in the costs of health care. That is a reflection on what hospitals are able to do. That is a reflection on the technology available, which is not all bad news - a lot of this is good news in terms of what we can do for patients to improve their quality of life, to improve their economic productivity. But that is the real metric of the year on year cost and the increase of providing world class health care.

QUESTION: So is what you're saying that private health companies aren't money grabbing here, they're just charging what the system is costing them, essentially, whereby in the public health system, they're not even keeping up at all, they're declining? Is that what you're saying?

MICHAEL GANNON: I think that what we're seeing in the private system is a more accurate reflection of the year on year increase in the cost of providing health care. About half the Australian private health insurance industry are for-profit companies, but the other half are mutuals that put the funds they raise from their members straight back in. We see similar increases year on year from the for-profit and the not-for-profit industry. Private health insurance premiums are a reasonable metric of the true increase in the cost of health care year on year on year.

QUESTION: Imagine technology there, isn't there just this fundamental and inescapable problem that technology is getting more and more sophisticated in terms of saving people's lives? Consequently the expense ratchets up.

MICHAEL GANNON: You are exactly right and it's why every new treatment should be subject to scientific scrutiny to make sure that there's a good evidence base behind it being worthwhile. It is absolutely essential that taxpayers get value for money out of the health system and it's absolutely essential that new treatments are only introduced when the evidence base is there, that it's useful for society.

QUESTION: Are you saying that they're not?

MICHAEL GANNON: No, I would hope that every new pharmaceutical that's introduced, that every new technique and operation that's introduced is subject to serious scrutiny. It is hard to make a case for 7 per cent, 8 per cent, 9 per cent year on year increases in the health budget. There are many other things that governments need to pay for. They need to pay for roads. They need to pay for schools. They need to pay for welfare. They are all equally important areas of spending. The AMA would be irresponsible if it didn't recognise that there are many other areas of endeavour. What the AMA would say and we consistently say this to Government is that many of these costs in the health system do represent investments, they're morally right and they recommend economic investments in the productivity of the community.

QUESTION: Was there one State that lagged behind the rest? And for my South Australian colleagues, are you able to just give a brief overview of South Australia's public health system?

MICHAEL GANNON: There's no good news in South Australia unfortunately, but it's not the stand-out worst case. We have serious concerns about performance across the country. Tiny bits of good news in Victoria, Queensland, the Northern Territory, but across Australia this represents the same problem: the failure of States and Territories to adequately fund their public hospitals and for the Commonwealth to provide their part of the equation.

QUESTION: How did the States compare to each other [indistinct] and is there- are there one or two that are performing the worst?

MICHAEL GANNON: Look, here in the report card does break it down State by State. The different graphs show relative improvements and disimprovements in every State. I would love to be able to stand up here and say that South Australia's the star of the show and then we might be launching this report card in front of Royal Adelaide Hospital, for example. But the sad news is that this is a failure that lands at the feet of the Commonwealth and the jurisdictions to adequately fund health care. There are very few good news stories, sadly, in this year's report card.

QUESTION: Some people looking at these figures though would say, well, in many cases the metrics have remained static and in fact over the past decade, emergency department waiting times have improved. So is it really such a big crisis?

MICHAEL GANNON: We can't afford to walk away from the Government's own targets. So, for example, the target of reaching the basically a 90 per cent NEAT target in terms of getting people treated within the internationally accepted benchmarks of an appropriate period of time. If you get chest pain and you are having an acute heart attack where every minute is precious, you want to know that you're being treated in that appropriate period of time. There are so many areas where we know that every minute is precious according to internationally recognised benchmarks and the Government's own targets, the system is failing.

QUESTION: So how would you compare to western nations, other western nations?

MICHAEL GANNON: Well one thing I can promise you is that Australia is not unique in the challenge of funding its health system. There are similar drivers across the world in terms of the increase in healthcare costs. We've talked about the costs of technology. We've talked about the ageing of the population. There are other drivers that are not unique to Australia, like obesity, overweight, like tobacco, like unsafe use of alcohol and other drugs. There's not a country in the world that has the magic pudding for this but Australia should aspire to maintain a high standard of care in our public hospitals. This is a fundamental responsibility of government.

QUESTION: As to doctors working and other health professionals, just how frustrating is it that health is constantly a piñata for the federal guys to play with but you're facing the real situation in hospitals. Can you just talk to us briefly about what's it actually like inside these hospitals and when the doctors are facing increasingly anxious patients, increasingly desperate patients, what is it in [indistinct]?

MICHAEL GANNON: I think the answer to that question is that eventually bureaucrats, politicians, other stakeholders eventually do have their own personal interface with the health system and when it is your loved one, it brings into stark focus exactly how important a public hospital treatment is for you or your loved one. I don't think there's a failure to understand the importance of that care. I would hope there's not a failure to recognise the increased pressure that doctors, nurses, other allied health staff are under each day, working in more and more difficult circumstances. Being asked year on year to do more with less. That has a burden on the health of staff in these hospitals. It has a burden in terms of leading to fatigue and people leaving the public hospital system. That's of great concern to us. We want to see working environments that are appropriate for our members. We want to be able to have the tools to do our job. That requires additional funding.

QUESTION: Just with the ageing population, if you can look ahead a couple of years, how do you think it's going to go?

MICHAEL GANNON: Well, of course, the ageing of the population in many ways represents the success of the health system but it is - and it's not something to lament. We need to get smarter in thinking about things like end of life care and working out if we're spending precious health dollars appropriately. But we hope to see further improvements in life expectancy. We hope to see further improvements in quality of life. That's what a lot of these things …

QUESTION: Just to clarify, I mean with the ageing population, how do you think the system is going to cope in these coming years, given that there's going to be more admissions and at a later stage of people's life potentially?

MICHAEL GANNON: Well, that will inevitably grow - drive further growth in health spending and we need to work out a way of having this conversation. We cannot have an annual bun fight at COAG with the States and the Commonwealth saying that it's your fault, no it's your fault. That is unedifying and unproductive. Previous attempts to reform the health system have failed but we must start with a recognition of the senior policy makers that formulas like CPI are going to be inadequate in a system that is going to require more and more funding. We need to work out ways of adequately funding the system. As doctors, we need to produce the evidence that this is good for society on an economic level, on a moral level.

QUESTION: Looking at the report, with my untrained eyes, the most dramatic change seems to be the rise in elective surgery waiting times. Can you explain that for us?

MICHAEL GANNON: Well, it's becoming harder and harder for public hospitals to provide elective surgery based on the other constraints placed on them. As it is now, 70 per cent to 75 per cent of elective surgery and procedures is undertaken in private hospitals. Now, that partly represents a failure of public hospitals because of inadequate funding. It partly represents the fact that they are so drum tight with the failure to grow bed numbers over the years, that you only need small upsets to the system, like an influenza outbreak, like a particularly cold winter, like a spate of, sadly, motor vehicle accidents to lead to people having their surgery cancelled.

So it's so important to recognise the way the systems work together. How GPs do the work that often keeps people out of public hospitals. How private hospitals carry the majority of the burden in terms of providing elective surgery but it's so essential that we find ways of funding elective surgery for those operations that can't be provided in the private sector or, of course, for those Australians that don't have the choice of attending a private hospital.

QUESTION: Brad, can we ask you, you've obviously- you work in the south western Sydney, that's an area that is under increasing strain from huge population growth and underfunding really. Can you describe the situation for us out in these areas and how this relates on a broader area to this report?

BRAD FRANKUM: Well, I can try. So we're seeing a disproportionate growth in the emergency department demand. So even though the population is growing very fast in those areas, the increasing demand in the emergency departments is outstripping that. And I'd like to know the reasons for that. My feeling is that the Medicare freeze is starting to impact quite heavily on the ability of general practice to deal with patients and that they're requiring more treatment in emergency departments. So it actually goes right back to those fundamentals.

We've done quite well with elective surgery, surprisingly, in the south west given the demand on our emergency departments. But the planning, I think, lags well behind the reality and so in a few years' time I'm not sure what's going to happen. I think the

problem with a lot of the data that we have been able to collect for this report card is that it's fairly basic numbers, whereas we don't have outcome data. And what we really need to know is how good is the quality of care that people are receiving in Australia, State by State, but compared to the rest of the world. And the Government doesn't seem that interested in exploring that data and making it public.

I think the other thing is that it can be a bit misleading because the Government will say that, well, the bed occupancy rates are quite acceptable. But when you delve into that you will find that the bed occupancy rates reflect the total number of beds in a hospital which might include paediatric cots and maternity beds, but the actual access to adult overnight emergency in-patient beds is very low. And so you've got rates of occupancy around 100 per cent for those patients, so if you have an unexpected spike in demand … your hospital is full.

I know for a fact that the emergency departments are often full of admitted patients who can't get upstairs to get into a bed. That necessarily compromises the quality of the care that they're going to receive. So I think that you've picked up on a really important point, that in the growth areas of the country the current situation is unlikely to be able to keep up and I think we're going to see a problem.

I think the other question that was asked was the effect it has on the staff and I think it has a profound effect. Because people are so busy trying to meet targets and do the essentials of care for their patients that things like quality research, teaching and training, and auditing of our performance, and all those sorts of things drop off because we're just busy providing day to day care. And ultimately we won't improve the system unless we have a bit of thinking time to get all the other things right.

QUESTION: [Indistinct]

BRAD FRANKUM: So New South Wales has done well with its infrastructure spending over the course of the current government, but I would argue that building new hospitals is important, but you've got to staff them and you've got to provide the funding for the individual patient care. And New South Wales like everywhere else, as reflected in this report, is not keeping up with that as well as we should be. So I would call on the new Minister to have a look at that. I do think we need to do better.

And it's interesting in New South Wales we do a disproportionately large amount of elective surgery in public hospitals, so to me that also represents something of a failure of the private health system in New South Wales. I think, certainly in Victoria and Queensland, a lot more of both the emergency and the elective work is done in private. I don't quite know the reasons for that.

QUESTION: [Indistinct]

BRAD FRANKUM: Well, I wasn't specially talking about Northern Beaches, but just-

QUESTION: [Indistinct]

BRAD FRANKUM: So, generally speaking, what health departments do is look at the total number of staff in an institution and say oh well, we're staffed. The problem with

that is the seniority and the experience of the staff often. And so I think we need some sort of an audit of actually how well distributed our staff is across the system. There are big discrepancies, for example, in the number of emergency specialists working in different emergency departments around the system in New South Wales. And so when I talk about improving staffing, I guess I'm talking about the mix as well as the absolute numbers.

QUESTION: What conversations have you had with the new Health Minister and have you got on?

BRAD FRANKUM: Yeah, great. So I've met with him several times … well in person and on the phone and he's very receptive. And I think probably he's in the phase of information gathering at the moment, but the reception has been good.

QUESTION: [Indistinct]

BRAD FRANKUM: Definitely. And we've been arguing that for some time now. This, to me, is the big problem. I don't think we're seeing a broad perspective out of the Federal Government in terms of the health of the nation and what we should be doing. I think there's a lot of it being left to the States and the uncertainty about the ongoing funding is affecting the States in their planning for the future.

QUESTION: We've seen a rash of errors in New South Wales over the last year. Is that something we're likely to continue to see [indistinct]?

BRAD FRANKUM: Errors occur in hospitals all the time. Errors occur in other walks of life as well. I don't know that the level of error is increasing but it's always too high and we're always trying to improve that. I wouldn't necessarily think the particular cases you're referring to in New South Wales reflect a system problem so much. They were fairly localised things we think. But of course there's a big inquiry going on into cancer care in New South Wales and I think we should await the findings of that.

QUESTION: Michael, would you say that we are in crisis now? Or are we heading for the crisis [indistinct]?

MICHAEL GANNON: Well there's not a lot of good news in this report. The word ‘crisis’ tends to be overused but if we don't act now it's inevitable that we'll see further reductions in the quality of care provided. Professor Frankum made an extremely important point there about just how tight the system is and therefore it does leave less time for other measures which do drive excellence in the system. So whether that's training our future doctors, whether that's teaching medical students or whether that's giving time to quality mechanisms, to audit mechanisms too, that measure the quality of care provided. If we're not investing time in those things, reflecting on the work that is done, that will inevitably lead to less good outcomes and that's a great concern that those things are not being provided for in a system that's absolutely drum tight.

QUESTION: The federal Health Minister is actually refusing to stand up on this issue today. How would you describe that?

MICHAEL GANNON: I am enjoying the new relationship with my new Health Minister as well. We've focused our conversation we've focused our conversations in the short time he's been on the job on the Medicare freeze and he understands how all of these things knit together. There is no question in my mind that increased demand on public hospital emergency departments reflects the problems out there in adequately funding primary care, adequately funding the work of GPs. The Minister is doing an amazing job in achieving literacy in an extremely complex and broad portfolio, but I'm spending a lot of time trying to explain to him how the systems all fit together. And it is the case that the Commonwealth must do its share of the heavy lifting when it comes to public hospital funding.

QUESTION: Every time we get to the emergency departments it's kind of the ambulance at the bottom of the cliff scenario and when you're talking about it all [indistinct] come together. The Federal Government's plans for health care [indistinct] and all that. Is that something that also needs to be kind of, we've got all new Ministers everywhere, do they need to get behind these systems and make sure that they are put in place [indistinct].

MICHAEL GANNON: The governments - whether it's Commonwealth or the jurisdictions - are in a difficult place. They have tight budgets, there is always other industries asking for their share of government spending. We're standing up here today saying that it is inevitable if we're going to maintain the current standards of health care that they will need to devote additional funding to health. Now, how they do that is complicated. We would make the case to government that health spending represents an investment in the future, it gets people back to work, it gets people off medications for chronic pain syndromes, it even helps with things like babysitting, which add to economic productivity in other ways. Spending in the health system is a cost, but it's an investment in the productivity of our country.

Alright. Thank you all very much.

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