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Transcript: AMA President Professor Brian Owler, Radio National, 28 January 2016

Subject: AMA Public Hospital Report Card 2016

FRAN KELLY: Well, talking there about the case for tax reform being bolstered by warnings of an imminent crisis in hospital funding. A report card from the AMA has found the performance of public hospitals has either declined or stagnated in the face of Budget cuts by the Federal Government. It claims the states and territories will face a funding- quote - a funding black hole from next year, when a further \$57 billion in Commonwealth funding cuts starts to kick in.

Brian Owler is the President of the AMA; Brian Owler welcome back to Breakfast.

BRIAN OWLER: Thank you Fran.

FRAN KELLY: A couple of figures from your report - 68 per cent of urgent emergency patients are seen within the recommended 30 minutes, and that's a decline after six years of improvement. And looking at all emergency patients, 73 per cent are seen in within a clinically recommended time of four hours, which is well short of the national target of 90 per cent. So why are we going backwards?

BRIAN OWLER: Well, what we saw previously was there was a National Performance Agreement in terms of emergency departments, access times and elective surgery. Since the 2014 Budget, we've seen really a lack of focus on public hospitals, particularly in terms of these sorts of targets. The incentives and funding was there for infrastructure and [indistinct] ward funding was all taken away. And, naturally enough, we've seen these performances stripped backwards. And it's also in the setting, of course, of public hospitals that are under increasing stress. We're seeing more and more patients present to emergency, and they're not GP-type patients; these are higher triage category patients, they're sicker patients. These are the patients that are actually - represent the growth in the presentations to our hospitals.

FRAN KELLY: And why? Why? Why are more patients from that difficult, complex category presenting?

BRIAN OWLER: Well, it's a really good question, because no one's been able to give a satisfactory explanation. We just know that there is an increase, particularly in the category two triage patients and category threes. We're not seeing GP-type patients. Our public hospitals seem to be under enormous stress, and we're seeing more and more patients, of course, on elective surgery waiting lists, and although there have been some improvements in some states, in other states people are languishing, sometimes now for years.

FRAN KELLY: And is that just an aging demographic issue, elective surgery?

BRIAN OWLER: Well, I think that's part of it. But we know that our public hospitals have never really been able to meet the demand that's been there for their services. I mean, even the waiting lists themselves don't really tell the full story, because many people wait even years sometimes, to get an appointment to see a specialist in an outpatient clinic before they can even be placed on the waiting list. So, I think there's an enormous amount of demand that's out there

in our towns and cities and across the nation where we're just not servicing it at the present time.

FRAN KELLY: Is it easy, though, for the doctors just to talk about a funding black hole rather than the need to look at how they do things and inefficiencies on the ground? Because the \$57 billion black hole you're warning about over seven years, that's not hit yet. So we're going backwards and the funding deficit hasn't started yet, has it?

BRIAN OWLER: Well that's the real picture that's we've painted here, is that we're going backwards because of a lack of focus on these issues. But now we're going to be hit with an extra reduction in funding, and that's going to mean that services are going to suffer further, I think people are going ...

FRAN KELLY: [Talks over] But so what's it about now, if it's not about funding? What's the going backwards about now?

BRIAN OWLER: Well, I think there's two things. So, there was a reduction in funding, so many of those agreements that were formed under national health reform ended, so the incentive payments ...

FRAN KELLY: Right.

BRIAN OWLER: ... the payments for infrastructure, and the focus, I think, on policy as well. I mean, we've seen very little policy and focus on public hospital performance from this Government since it took office. Much of it, of course, was about things like co-payments and other issues to do with primary health care, but very little to do with public hospital policy. And I think that's been part of the problem that we're seeing here.

FRAN KELLY: This \$57 billion black hole you're warning about over seven years, which the Government counter, as I should say. But what would that mean for emergency departments, for waiting lists or, more precise, for people's health and safety?

BRIAN OWLER: Well, that's the worry. I think when people wait longer in emergency departments, it's not an inconvenience. We know that overcrowding and long wait times in emergency departments are associated with increased morbidity and even mortality. That is, people actually have more complications if they're all stuffed into an emergency department and not receiving the appropriate care in the appropriate part of the hospital. So, this is more than just an inconvenience, and obviously people waiting on elective surgery lists - it might be for something like a hip or knee replacement, it might be for something, even cancer surgery. But when people wait long periods, obviously their condition can deteriorate, and if people aren't able to exercise or walk, they often put on weight, they get cardiovascular disease, diabetes, and so they end up in the much worse shape by the time they actually do get their procedure.

FRAN KELLY: You're listening to RN Breakfast, it's eleven minutes to eight, and Brian Owler is President of the AMA. The Federal Health Minister, Sussan Ley, says that Commonwealth spending on hospital increases each and every year - \$3.3 billion over the forward estimates. So the Federal Government doesn't buy into the \$57 billion black hole scenario, but the states certainly do, and they're railing against the cut-back of their health agreement funding. Some are lobbying for a tax reform to fill the black hole you identify. Does the AMA have a view on how to reform funding arrangements?

BRIAN OWLER: Well look, first of all, to address the issue of the funding, there is no doubt that from 2017 funding public hospitals on the basis of CPI and population growth is completely inadequate, and that is what the states and territories recognise, and that is why

