



## **Submission to the Productivity Commission Performance of Public and Private Hospital System July 2009**

UnitingCare Health (UCH) provides this submission to the Productivity Commission due to its extensive range of tertiary level hospital services provided to the Queensland community, and its strong contribution to education, training and research in the health sector. UCH wishes to acknowledge and support the submission being made by the Australian Private Hospitals Association.

The major theme of the points highlighted in this paper is that UCH (and other private providers that offer tertiary level hospital services around Australia) not only undertake patient volume of equal complexity to major tertiary public hospitals, but do it with significant efficiency, both from a capital and operational perspective. At the same time, these major private hospitals contribute significantly back into the health system through extensive education and training programs, as well as undertaking research through dedicated Research Institutes.

### **Background to UnitingCare Health**

UCH is one of the largest not-for-profit private hospital operators in Queensland. Hospitals operated under the UCH banner include:

- The Wesley Hospital, Brisbane  
550 overnight beds. Extensive range of tertiary level services including cardiothoracic, neurosciences, vascular and abdominal surgery, orthopaedics, comprehensive cancer services, as well as maternity and paediatric services.
- St Andrew's War Memorial Hospital, Brisbane  
250 overnight beds. Tertiary level services including cardiac, neurosciences, orthopaedics, ENT and general surgery.
- The Sunshine Coast Private Hospital, Buderim  
180 overnight beds. Extensive range of services including interventional cardiology, extensive surgical sub-specialties, psychiatry and maternity.
- St Stephens Hospitals, Maryborough and Hervey Bay  
58 overnight beds plus a stand alone day surgery. Provides regionally based private hospital services in both medical and surgical sub-specialties.

UCH therefore operates over 1,000 beds in south-east Queensland, and employs over 3,500 staff.

The only clinical services that UCH does not provide (or are not allowed to provide due to legislation) are organ transplants, burns and multi-trauma. Our capabilities in

operating theatre complexity of caseload, intensive care casemix, and introduction of new technologies is often ahead of the public sector (for example, St Andrew's War Memorial Hospital is leading Australia in the use of Deep Brain Stimulation).

### **Tertiary Clinical Services**

Both The Wesley and St Andrew's War Memorial Hospitals in Brisbane provide comprehensive cardiology and cardiac surgical services, through a combination of medical treatments, interventional catheter laboratory services as well as open heart surgical treatments. These services are equal to those provided at The Prince Charles Hospital (state recognised cardiac hospital) and more comprehensive than either Royal Brisbane or Princess Alexandra Hospitals. For example, a 24 hour per day, 7 day per week acute angioplasty service is provided, and the electrophysiological services are highly regarded around Australia. In excess of 1,000 open heart procedures are now performed annually between these two private hospitals, supported by state-of-the-art Intensive Care and Coronary Care Units.

The Wesley Hospital also uniquely provides a comprehensive cancer service, encompassing haematology, oncology, cancer surgical program, chemotherapy, radiation oncology, bone marrow transplant, brachytherapy and palliative care (via a dedicated palliative care unit), with a full range of back-up diagnostic facilities including CT, MRI and PET.

Other tertiary services provided include infectious diseases, neurology, general and respiratory medicine, gastroenterology, and minimally invasive surgery (where approximately 6 public hospital surgical registrars rotate through each week).

### **Operational Efficiencies**

These tertiary level private hospitals operate at average annual occupancies in excess of 80% (requiring mid week occupancies to run at over 100%) and are managed on a daily basis through specific departmental staff hour ratios linked to patient volume. This ensures that employment costs are always well below 60% of revenue, inclusive of a number of employed medical staff providing both specialist services (eg intensive care specialists) and general medical cover (eg 24 hour medical cover through the hospitals).

### **Capital Expenditure**

UCH has recently undertaken significant capital re-investment in its 2 Brisbane hospitals, as part of an upgrading and expansion program. A total of 280 new hospital beds have been constructed at The Wesley and St Andrew's War Memorial Hospitals during the last two years, with construction anticipated to be completed on both campuses by the end of calendar year 2009.

Whilst it is always difficult to directly compare construction costs in the healthcare environment, the UCH experience over the last two years has shown that construction costs per bed (excluding equipment and professional fees) is around \$450,000. This results from detailed planning, design and project management in order to minimise capital expenditure to ensure that the project can be funded.

Public sector costings have not been directly available to UCH. However, UCH is prepared to discuss its construction costs in more detail with the Productivity Commission if requested.

The other core driver of ensuring a successful major capital project for the private hospital sector is minimising the timeframe from initial planning to commissioning of new facilities. In UCH's recent experience, the total time taken from commencing initial design to completing the construction and handing over substantial new facilities (such as a new 178 bed wing at The Wesley) was three and a half years. This compares very favourably with the public sector from recent experience.

## **UCH's Role in Professional Education and Training**

### **Nursing**

During 2009, over 1,000 undergraduate nursing students will complete their relevant clinical placements at a UCH hospital, via agreements with a large number of universities.

Additionally, UCH conducts its own nursing graduate program, which this year will take in excess of 130 graduates who will complete their 12 months pre-registration curriculum.

### **Allied Health**

Undergraduate clinical placements are provided for two universities in particular areas of clinical need.

### **Medical**

**Students** – The Wesley Hospital provides a structured medical student training program in conjunction with the universities, with approximately 30 students placed this year in a range of sub-specialties. This program is structured and supervised by a clinical sub-Dean on behalf of the universities along with supervision, tutoring and assessment by academic heads in surgery and medicine.

**Interns** – The Wesley is accredited by the Postgraduate Medical Council of Queensland for 4 intern positions in 2 of the compulsory terms for full registration with the Medical Board.

**Medical Registrars** – Through the Expanded Specialist Training Program, The Wesley has funded registrar training positions in Infectious Diseases, Neurology, Palliative Care and Intensive Care.

**Clinical Fellows** – Under arrangements with the Princess Alexandra Hospital, The Wesley provides fellowship for an orthopaedic surgical fellow and a breast surgery fellow.

The key limiting factor for the growth in this professional education and training has been access to Government funding.

These training programs are all undertaken within the limitations of tight operational budgets, and in many instances require significant additional resources which are funded directly by UCH.

**Research**

The Wesley Research Institute and St Andrew's Medical Institute conduct a number of direct investigator initiated research programs, and work in close cooperation with a large number of the private medical specialists who utilise the services of the 2 hospitals. This is further demonstration of the value adding that such tertiary level private hospitals provide back into the health system.

**Conclusion**

The Productivity Commission will no doubt undertake an assessment of the patient morbidity datasets to compare public and private sectors. This brief submission has aimed to simply highlight the fact that complex tertiary private hospitals provide an extensive range of services, including add-on services such as professional training and research, that enable some very direct comparisons with the large scaled public hospitals.

Whilst there is no direct costing information available to UCH in the public sector, there is confidence that efficiency drivers are well established within UCH which would result in very favourable cost comparisons with similar scaled public hospitals.

UCH would be prepared at any time to have further discussions with the Productivity Commission.

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