



## **Submission to the Productivity Commissions regarding the Discussion draft report on the Performance of public and private hospital systems**

**9 November 2009**

### ***Healthscope Limited – Background***

Healthscope is a leading private healthcare operator within Australia that uniquely operates in every State and Territory, as well as in New Zealand and Asia. Our reach of facilities around the country firmly places Healthscope as the second largest private hospital provider operating 44 private hospitals. The company includes a leading pathology business with facilities in Australia, New Zealand, Singapore and Malaysia; a growing medical centres division with over 45 centres; and a diagnostic imaging division centred in major hospitals.

Our hospitals range from high acuity metropolitan facilities with co-located public hospitals to smaller facilities conveniently located in the suburbs. Healthscope hospitals offer an array of acute services: medical and surgical, obstetrics, rehabilitation, mental health and community program services. In September 2009 Healthscope's new greenfield 175 bed Norwest Private Hospital opened in NSW.

All our hospitals are fully accredited to the highest standards with the Australian Council on Healthcare Standards (ACHS) or with ISO 9000. Healthscope corporate entity also holds accreditation with ACHS.

### ***1. Comments on the study***

In our original submission, Healthscope outlined concerns regarding the Productivity Commission's undertaking to report on the performance of public and private hospital systems within such a short timeframe, utilising data not designed for the specific purpose. Our previous comments with regard to data source issues remain.

## **2. Corrections required to the Productivity Issues Discussion Draft Paper**

### **2.1. Page 39 Section 3.1 Role and structure of private hospitals**

**Ownership and management:** The report incorrectly states Healthscope owns or manages 48 medical and surgical, rehabilitation and psychiatric hospitals. In fact Healthscope currently owns or manages 44 hospitals. Our website states 43 and is about to be updated to 44 for the addition of the Norwest Private Hospital which opened in September 2009, and our initial submission to the Commission also stated 44 private hospitals.

### **2.2. Page 40 Section 3.1 Role and structure of private hospitals**

**Funding arrangements:** The statement “Medical fees and prostheses charges are usually billed separately and direct to the patient from the medical provider. As opposed to being directed via hospital accounts.”

This statement is incorrect with regard to prostheses. Private hospitals order and pay for prosthetics or in some instances hold on consignment until utilised. Once a prosthetic item is used, the health fund is charged (via hospital account) for the item according to the Commonwealth Prostheses Benefit List (PBL), and if applicable the patient is charged the gap between the minimum and maximum benefit.

Health funds and hospitals usually have comprehensive contracts in place, which generally do not allow for direct charging of prosthetics to the patient.

In addition, private hospitals absorb the costs of managing prostheses in stock, freight and handling.

## **3. Comments on the Productivity Issues Discussion Draft Paper**

### **3.1. Future Data Collection – duplication and cost**

The Productivity Commission recommends a number of changes to the collection of data in both private and public hospitals. Care must be taken to ensure there is no duplication of data collections requirements, particularly for the private sector that unlike the public sector does not receive funding or assistance for the costs associated with providing the information/data.

### **3.2. Data Collection – Quality Indicators**

Any definitions for infection control indicators should take into account recent work and definitions provided by Australian Commission for Quality & Safety in Healthcare and World Health Organisation - Hand Hygiene Australia - 5 moments for hand hygiene project and also ACHS Clinical indicators - Infection Control.

Any other safety and quality indicators should use the same definitions as those proposed by the Australian Commission on Safety and Quality in Healthcare.