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Victorian hospitals' cash grab slammed

The Victorian Auditor-General has slammed the state's public hospitals for their blatant cash grab of private insurance benefits, providing public equipment, theatres and staff for private work.

The report, *Managing private medical practice in public hospitals*, said there was evidence of private work being undertaken in public hospitals without any recognised cost-benefit to the state.

Australian Private Hospitals Association (APHA) CEO Mr Michael Roff said the report highlighted a perverse set of circumstances where Department of Health and Human Services (DHHS) policy settings have led to practices against the interests of an efficient system and put patients last. One in eight Victorian public hospital beds is given over to the treatment of private patients.

"The report makes plain the DHHS views private work as a revenue source. Public hospitals are given specific targets and incentivised to coerce patients into private treatment. They are supposed to ensure that patients give consent – according to the Auditor-General – this is not happening.

"The argument from the DHHS that allowing private practice in public hospitals is a recruitment and retention tool is also debunked in the report," he said.

The report finds the practice, particularly if private patients are put ahead of public patients in waiting list queues, puts the DHHS in breach of the National Health Reform Agreement and could result in the Federal Government asking for its money back.

"There is plenty of additional data from the Australian Institute of Health and Welfare that tells us that private patients are given preferential treatment ahead of public patients in the public system. The median wait time for elective surgery in Victorian public hospitals is 30 days but private patients in public hospitals get surgery in a median of just 19 days.

"It is obvious that the Auditor-General agrees, based on the recommendation for the Department to provide guidance to health services not to do this. Not only is it against the agreement with the Federal Government, it is also against the principles of Medicare," he said.

Mr Roff said public patients are being sidelined by the very system that was set up to help them.

"The APHA urges the Commonwealth Auditor-General to examine this issue from the perspective of states shifting costs to the Commonwealth. This report will also support Health Minister Greg Hunt's efforts to address this issue through the next health funding agreement."

Mr Roff said it was shocking that no cost-benefit analysis of these practices had been undertaken to ensure taxpayers money was well spent, and spent on those Victorians who need the public hospital to be working for them.

"These are publicly funded hospitals actively seeking out ways to make money, rather than focusing on caring for public patients, it's outrageous. We encourage the Department to take up the Auditor-General's recommendations immediately," he said.



Australian
Private Hospitals
Association



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Report: <https://www.audit.vic.gov.au/report/managing-private-medical-practice-public-hospital>

The Australian Private Hospitals Association (APHA) is the peak industry body representing the private hospital and day surgery sector. The private hospital sector treats 3.69 million patients a year, including treatment of more than a third of chemotherapy, 60 percent of all surgery, 74 percent of all elective musculoskeletal surgery and 79 percent of rehabilitation.