RURAL DOCTORS ASSOCIATION OF AUSTRALIA

15 February 2013

The Secretary
Senate Standing Committee on Finance and Public Administration
PO Box 6100
Parliament House
CANBERRA ACT 2600

by email: fpa.sen@aph.gov.au

Dear Secretary

INQUIRY INTO THE IMPLEMENTATION OF THE NATIONAL HEALTH REFORM AGREEMENT

The Rural Doctors Association of Australia (RDAA) welcomes the Senate Standing Committee on Finance and Public Administration's inquiry into the *Implementation of the National Health Reform Agreement.*

RDAA is the peak national body representing the interests of doctors working in rural and remote communities and their patients. Our key priority is to ensure that effective policies exist to assist rural and remote communities to attract and retain medical practitioners with the qualifications, skills and commitment to meet the needs of people in those communities.

Australians living in rural and remote areas have much poorer access to local health services, significantly worse health outcomes and a significantly shorter life expectancy than those living in the major cities.

Many people living in rural and remote areas are unable to access even the most basic primary care medical services in their local communities, and have to travel significant distances just to see a GP for a basic consultation, or have to wait many weeks to be seen close to where they live.

In view of the state of rural health, RDAA is alarmed and concerned by the reductions in National Health Reform funding for state hospital services recently announced by the Commonwealth. These funding cuts have been accompanied by announcements from State governments of reductions to services, closure of facilities, and staff cutbacks in many hospitals. These cuts have a disproportionate impact on rural hospitals where the reductions are likely to be a larger percentage of the total operating budget, and where any reduction in services is likely to have more severe repercussions for the local community.

The particular circumstances surrounding delivering health services in regional, rural and remote Australia are more complex than delivering health services in metropolitan areas. It costs more to deliver hospital-based services to communities dispersed across geographically isolated areas and to communities experiencing health disadvantage.

The main issue facing rural and remote communities is the ability to access health services locally. The past two decades have seen the closure of many small services and, more recently, some medium and even larger services. The trend has been initially to close the procedural-based services of the hospital (for example, anaesthetics, obstetrics and surgical services) but now many hospitals are unable to provide after hours and emergency medicine services on a full time basis. While fly in/fly out services, telemedicine and retrieval services offer valuable support to rural health services, they simply cannot replicate the health benefits of having general practice and acute health services delivered locally.

Rural practice is different to urban general practice. Many rural doctors are expected to provide full-time practice-based and hospital-based level services to their local community, particularly smaller communities. To improve the health of people living in rural and remote Australia, RDAA believes rural communities need a medical workforce that is numerically adequate, located within the community it serves, and made up of doctors and other health professionals who have the necessary training and skills to meet the needs of those communities. This includes rural GPs who have advanced skills training to provide acute services in the hospital setting.

The funding cuts are going to impact primarily on surgical services. To function effectively, rural hospitals require a combination of services, including visiting surgical services. If these services are cut, GP anaesthetists in rural areas may not get access to the number of work hours required to maintain their skills and expertise. If this occurs, many rural hospitals will be without GP anaesthetists and unable to offer any surgical services.

The timing of the funding cutbacks comes when hospital budgets for the financial year have been set and partially expended. State governments and hospital administrators have therefore been forced to adopt a ‘knee jerk’ approach to managing the cutbacks. This type of response increases the likelihood that rural hospitals, with their particular cost structures, will bear the brunt of budget reductions. It has also meant that rural communities have not been able to be engaged in any meaningful way about any of the changes to the services that may have been imposed on their local hospital.

Rural hospitals are an integral part of the economic and social fabric of rural communities. The closure of the local hospital, or even the closure of procedural services within the local hospital, can threaten the sustainability of rural communities. When the local hospital closes, or downgrades the range of services provided, many rural doctors who provided services both at the local hospital and through a general practice will move on to another location where they can utilise the full scope of their skills. Once a local hospital closes, or is unable to provide a good range of services

(including maternity services) to their community, this adversely affects the ability of the community to attract and retain new families.

The morbidity load of rural hospitals tends to be underestimated and there is a need for more research and modeling of the impact of loss of services. This information can then be used to predict the need for ambulances, load on referral hospitals, extra morbidity and mortality resulting from late diagnosis and management, and the overall extra cost.

Finally, one of the aims of the national health reform process was to end the 'blame game'. The accusations that have taken place around this particular issue are a clear indication that the health reform process has been a failure in this regard to date.

The time has come for the blame game to end, and for all political parties to commit to delivering substantive health equality between all Australians, regardless of where they live.

Yours sincerely

Jenny Johnson
Chief Executive Officer