

**ADDITIONAL INFORMATION FROM THE AUSTRALIAN PRIVATE
HOSPITALS ASSOCIATION PSYCHIATRY SUBCOMMITTEE TO THE
HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON HEALTH
AND AGEING'S INQUIRY INTO HEALTH FUNDING**

1. Page HA 37 (21 September 2005)

Mr Mackey: "One thing we can certainly do is to give you on notice some of the data that shows the types of conditions that are treated in the different sectors."

The table below indicates the number of patients treated in private and public mental health facilities by broad type of condition, together with the proportion of patients treated in private mental health facilities. The data has been calculated from the *Australian Hospital Statistics 2003-04*, which is issued annually by the Australian Institute of Health and Welfare.

Private mental health facilities (both stand-alone and co-located in general medical surgical hospitals) account for approximately 23% of all mental health beds. The data indicates that with these 23% of beds, the private sector treats a substantial proportion of patients across a range of conditions.

Mental health, drug and alcohol services private and public hospitals 2003-04

| | Public seps | Private seps | Total seps | % private |
|---|----------------|-----------------|----------------|-------------|
| Total mental health | 128,234 | 90,627 | 218,861 | 41.4 |
| Total alcohol and drug treatment | 29,226 | 14,062 | 43,288 | 32.5 |
| Mental Health Treatment, sameday | 36,119 | 68,185 | 104,304 | 65.4 |
| Alcohol treatment | 18,420 | 11,629 | 30,049 | 38.7 |
| Major Affective Disorders | 20,795 | 10,435 | 31,230 | 33.4 |
| Anxiety disorders | 7,767 | 3,454 | 11,221 | 30.8 |
| Eating and Obsessive-Compulsive Disorder | 1,597 | 640 | 2,237 | 28.6 |
| Childhood mental disorders | 615 | 199 | 814 | 24.4 |
| Drug treatment | 10,806 | 2,433 | 13,239 | 18.4 |
| Other Affective and Somatoform disorders | 10,379 | 2,108 | 12,487 | 16.9 |
| Personality disorders and Acute reactions | 17,443 | 3,243 | 20,686 | 15.7 |
| Schizophrenia | 28,029 | 2,025 | 30,054 | 6.7 |
| Paranoid and Acute Psychotic disorder | 5,490 | 338 | 5,828 | 5.8 |

seps=separations

Source: calculated from: Australian Institute of Health and Welfare, *Australian Hospital Statistics 2003-04*

2. Page HA 38 (21 September 2005)

Ms Hall: "What percentage of patients go into the private sector on an involuntary basis."

Ms Gee: "We could probably take that on notice. I think it was around 10 per cent."

As discussed during the Committee's hearing on 21 September, Queensland and South Australia are currently the only jurisdictions in which an involuntary patient can legally be admitted to a private hospital. An assessment undertaken by the APHA Psychiatry subcommittee for the Strategic Planning Group for Private Psychiatric

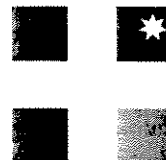
Services (SPGPPS) indicated that approximately 8-10 per cent of patients in Queensland and a slightly lower proportion in South Australia were admitted as involuntary patients to private hospitals in 2004.

3. Page HA 47 (21 September 2005)

Ms Hall: *"Could you provide to this Committee a copy of the submission that you made to the Senate Inquiry? That would be very useful."*

Ms Gee: *"There was a submission and a further submission."*

Please find attached a copy of the original submission and the additional information provided by the APHA Psychiatry subcommittee to the Senate Select Committee on Mental Health.



Mr Ian Holland
Secretary
Senate Select Committee on Mental Health
Parliament House
CANBERRA ACT 2600

Dear Mr Holland

On behalf of the Australian Private Hospitals Association (APHA) Psychiatry subcommittee, I have attached a submission to the Inquiry by the Senate Select Committee on Mental Health.

The APHA Psychiatry subcommittee represents the interests of private mental health facilities throughout Australia.

Please contact me if you have any questions with regard to this submission.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Christine A Gee'.

Christine A Gee
Chair
APHA Psychiatry subcommittee
21 April 2005

**SUBMISSION BY
THE AUSTRALIAN PRIVATE HOSPITALS ASSOCIATION
PSYCHIATRY SUBCOMMITTEE
TO THE INQUIRY BY THE
SENATE SELECT COMMITTEE ON MENTAL HEALTH**

Background

APHA Psychiatry subcommittee

The Australian Private Hospitals Association (APHA) Psychiatry subcommittee is a subcommittee of the APHA National Board. As such, it has a national focus of advocacy and policy development on behalf of private mental health facilities. Committee members are drawn from hospitals with both independent and group ownership. The Committee also includes, in an observer capacity, the Chair of the National Network of Private Psychiatric Consumers and Carers.

Industry profile

According to the latest available data from the Australian Bureau of Statistics¹, there are 25 specialist mental health facilities with some 1463 beds located across Australia. In addition, mental health wards/units are located within a further 21 medical/surgical private hospitals.

The latest data from the Australian Institute of Health and Welfare² indicates that private mental health facilities provide a vital range of services for privately insured patients. Almost 100,000 patients were treated in 2002-03. Services provided include:

- ✍ 68% of all sameday mental health services;
- ✍ 43% of all hospital-based psychiatry services; and
- ✍ 91% of all sameday alcohol disorder and dependence services.

In addition:

- ✍ 93% of private hospitals with psychiatric beds collect and report outcomes data to the independent Centralised Data Management System; and
- ✍ 90% of private hospitals are accredited by an industry recognised and approved accreditation agency.

¹ Australian Bureau of Statistics, *Private Hospitals 2002-03*, 21 September 2004.

² Calculated from: Australian Institute of Health and Welfare, *Australian Hospital Statistics 2002-03*, 2004

Term of reference (a)

The extent to which the National Mental Health Strategy, the resources committed to it and the division of responsibility for policy and funding between all levels of government have achieved its aims and objectives, and barriers to progress

From a private hospitals perspective, the National Mental Health Strategy represents a missed opportunity. As with several other 'national' initiatives that are developed largely if not entirely through discussions between governments, the involvement of the private hospitals sector is very much at the margins, if indeed there is any involvement at all. It is acknowledged that there is now a private sector representative on the National Mental Health Working Group.

Generally speaking, the private hospitals sector is not well understood by Health Ministers and their officials on the Australian Health Ministers Advisory Council (AHMAC) and therefore national initiatives and strategies are often less than fully effective because of their inability to take a system-wide perspective. These comments are developed further in response to term of reference (c) below.

Term of reference (c)

Opportunities for improving coordination and delivery of funding and services at all levels of government to ensure appropriate and comprehensive care is provided throughout the episode of care

There is tremendous scope for improvement in the areas encompassed by this Term of Reference. Even the way in which the term of reference is framed underlines the challenges facing the efficient delivery of care to ensure optimum outcomes for patients. Coordination, funding and service delivery is not all about government. As can be seen from the data presented earlier in this submission, there is a vigorous and effective private hospitals sector that is providing a range of quality services. More can and should be done but one of the biggest challenges is changing the mindset of Health Ministers and AHMAC in particular, to whom national initiatives appear to be something that involves only public sector services.

The Productivity Commission recently reported that Australia faces a great many challenges in the near to medium term in the sustainable delivery of health services to an ageing population. Meeting these challenges will require a vigorous private hospitals sector that continues to complement the work of the public hospitals sector within Australia's mixed health care system. The APHA Board has identified that potential may exist for the expansion of services offered by the private hospitals sector in the future, including boosting the sector's capacity to deliver care across the continuum.

The Productivity Commission has identified jurisdictional issues as a key inefficiency in the delivery of public hospital services. It is worth noting that the private hospitals sector doesn't suffer from Federal/State jurisdictional problems and is therefore an

appropriate model for consideration of options for improvements in the delivery of health care, particularly around the continuum of care.

Available data on the ageing of the population, increasing acuity of patients and increasing prevalence of mental illness all point to the need for the public and private sectors to work much more closely together to ensure appropriate and comprehensive care is provided throughout the episode of care. For its part, the APHA Psychiatry subcommittee is always prepared to work with all other stakeholders to ensure a system-wide approach to improvements in service delivery to patients with mental illness.

Term of reference (d)

The appropriate role of the private and non-government sectors

From a private hospitals perspective, the APHA Psychiatry subcommittee is somewhat at a loss to address this Term of Reference which calls for an evaluation of *“the appropriate role of the private and non-government sectors”*.

The distinction between differing ownership types within the private mental health sector is artificial and is not one recognised by the APHA Psychiatry subcommittee which includes in its membership both for-profit and not-for-profit private mental health facilities. There is no data that the subcommittee is aware of that indicates differences in casemix or access by patients between private mental health facilities operating under different ownership structures. Indeed, private mental health facilities operated on both for-profit and not-for-profit basis regularly benchmark their activities, processes and programs to ensure optimum outcomes for patients.

As with the broader private hospitals sector, private mental health facilities provide services on a complementary basis with publicly funded facilities within Australia's mixed health care system. It is very much a truism that no one part of the system – public or private – can possibly hope to accomplish everything in health care provision.

The role played by private mental health facilities in terms of services permitted to be provided is governed by State and Territory legislation, as well as requirements of the Commonwealth's *National Health Act 1953*. It is arguably these Commonwealth, State and Territory regulatory frameworks that determine what each jurisdiction regards as an “appropriate” role for private mental health facilities. Differences are apparent between jurisdictions in terms of the services able to be provided by private mental health services in areas such as the treatment of involuntary patients.

The APHA Psychiatry subcommittee observes that if there is a choice to be made between consistency and inconsistency, then consistency is usually the preferred option. How this consistency is achieved is a matter for government to assess.

Services offered by private mental health facilities are also influenced by private health insurance funds. For the most part, private mental health facilities receive the bulk of their funding via private health insurance funds under Hospital Purchaser