



Day Hospitals Australia's Submission to the Senate Select Committee on Red Tape

The inquiry into the effect of red tape on health services

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1. Introduction – the importance of the Private Day Hospital Sector to the Australian Healthcare System

Day Hospitals Australia (*previously known as the Australian Day Hospital Association*) is the peak industry body representing over two thirds of the private stand-alone day hospital sector. As the sector has developed, it has been able to provide an efficient, cost effective service to consumers, without compromising outcomes or patient satisfaction. Increasingly many surgical, diagnostic and medical treatments, previously carried out only in overnight hospitals, are being performed in standalone day hospitals. In keeping with other Western countries, day hospitals have become a growing part of the health service infrastructure in Australia. More and more patients are choosing to have their treatment as day patients, wherever this is possible. The benefits, particularly in relation to costs, are considerable. Day hospital patients are now able to spend more time at home with their families before and after their treatment.

In recent times however, there has been a continuation of the trend by major health insurers not to contract with new day hospitals, despite the significant advantages to the patient and lower costs for the private health insurance fund. As day hospitals are generally small businesses this adds increased pressure on fiscal resources in providing high quality care.

There are significant challenges to running a day hospital in the current legislative, regulatory and accreditation environment. Some of these conditions imposed on the day hospital sector severely impact financial viability and thus provision of services to patients.

2. AS/NZS4187:2014

Day hospitals are required to meet the National Safety and Quality Health Service (NSQHS) Standards in order to comply with jurisdictional licensing requirements and as well as accreditation with an independent body approved by the Australian Commission on Safety and Quality in Healthcare. These two requirements are essential in order to obtain Private Health Insurance funding for insured patients.

AS/NZS 4187:2014 relates to *‘Reprocessing of reusable medical devices in health service organizations’*, and was the result of the review of AS/NZS 4187:2003. This Australian Standard is part of NSQHS Standard 3 ‘Preventing and Controlling Healthcare Associated Infections’. Day Hospitals Australia believes that the changes reflected in the revised standard will have a severe financial impact on day hospitals and smaller in-patient hospitals. Day Hospitals Australia was not invited to participate in the review.

Day hospitals already demonstrate an extremely low level of hospital acquired infection. This is partly due to the patient's short length of stay, which on average is 4 hours. In addition there is already a high rate of compliance to infection control strategies, which to a degree is a result of the size of the facilities which enables a high level of monitoring and control over policies and processes. Many of the new clauses in the revised standard relate to European conditions which are not always relevant in Australia.

There has been significant feedback and concern from our membership relating to the consequences of compliance with this revised standard. Compliance with this standard will be part of the Australian Commission on Safety and Quality in Health Care's (ACSQHC) National Safety and Quality Health Service Standards, Standards 3 - Preventing and Controlling Healthcare Associated Infections Standard. The ACSQHC has obviously recognised that there are issues for hospitals relating to compliance with this standard. The ACSQHC has in reference to AS/NZS 4187:2014 issued an Advisory which allows for full implementation of AS/NZS 4187:2014 over a five year period, requiring full compliance by December 2021.

For the majority of Day Hospitals compliance with this standard will mean replacement of equipment and in some cases refurbishment and or extension of Sterilising Departments at significant capital expense. Many day hospitals would not have the capacity to expand their Sterilising Departments and could therefore more than likely be forced to close.

Feedback received from one member reads as follows and I quote:-

"Recently we had a senior consultant do an audit of my premises with regard to the clean, utility, dirty utility areas, sterile stock storage. This was conducted with our Architect in attendance. In essence we are unable to comply within the present foot print of the building. This therefore means an addition. The draft plans that the architect has come up with have been estimated to cost \$350,000 which is a massive amount. Such an addition does not allow us to derive more income, e.g. from treating more patients, as it does not give us extra operating theatre for example – it is simply unaffordable".

The level of concerns amongst members have been so significant that Day Hospitals Australia has set up a member task force to provide feedback to Standards Australia, who are in the process of reviewing components of AS/NZS 4187:2014 currently.

3. Duplication of data requirements amongst the various Jurisdictions

There appears to be no consistency with respect to data requirements from the various Government and other data collection agencies.

Day Hospitals Australia recently responded to the Victorian State Government's proposed changes to their licensing regulations for day hospitals under their Target Zero policy. Much of the data required is already collected, either by the State or Federal Departments of Health.

The accreditation process also captures much of the information that the Victorian Department of Health is now wanting to add to the regulations for day hospitals, which just introduces unnecessary duplication and wasteful use of hospital resources that would be better focused on quality patient care.

There needs to be more consistency across the various jurisdictions with respect to compulsory data requirements. Many Day Hospitals would not have the software available to address revised data requirements and more often than not would outsource their IT services. Changing or adding new software is an expensive exercise. The data collected needs to have relevance to the particular section of the Australian Health Care System.

4. Lack of data relating to private standalone day hospital sector in Australia

Currently there is limited data available with respect to the private standalone day hospital sector. Often data from this sector is combined with same day episodes conducted in overnight hospital day procedure units, which does not then provide specific data relating to the private standalone day hospital sector.

Over the past 3-4 years Day Hospitals Australia has had discussions with the Australian Bureau of Statistics (ABS) in relation to the need to collect data that is relevant and meaningful to the day hospital sector. Some progress was made in 2014/2015 when a specific guide for day hospitals was initiated by the ABS which has resulted in improved data collected from the sector. However there is still a need to revise the data collection tool to provide a realistic presentation of the private standalone day hospital sector which consists of approximately 342 day hospitals.

5. Lack of consistency in licensing requirements across Australia for private standalone day hospitals.

The ACT, NSW, QLD, TAS, WA and VIC have licensing and associated regulations in place for private standalone day hospitals. However there is no consistency with these regulations and how they are monitored.

South Australia introduced the Health Care 9 (Miscellaneous) Amendment Bill 2015 which included licensing for day hospitals. Day Hospitals Australia made several recommendations to this Bill most of which were included as amendments. This Bill was subsequently passed by the South Australian Parliament but has not yet come into force. The amended Act enables various things to be done by regulation rather than by amending existing legislation.

Early in 2017 we were advised by the SA State Government that there were to be some changes in the regulations provided for in the Act and the draft Health Care (Private Day Procedure Centers) Variation Regulations 2017 was provided for comment.

Day Hospitals Australia has concerns that the clause relating to licensing of day hospitals that perform their procedures under local anaesthetic is to be removed. Departments of Health in other jurisdictions have licensed this type of day hospital as more and more procedures are being performed under local anaesthetic due to improvements in surgical techniques and the associated technology. There are still risks associated with procedures performed under local anaesthetic. The local anaesthesia dose administered has the potential to cause systemic toxicity, the medical practitioner who is performing the procedure must ensure that there are trained staff, and proper facilities and equipment to deal with any emergencies, including resuscitation of the patient. Day Hospitals Australia believes that these procedures should be performed in a licensed facility where compliance of licensing regulations is monitored.

Currently there is no licensing requirement in the Northern Territory.

6. Differences between the states relating to accreditation requirements

All private hospitals, including day hospitals, are required to be accredited by an Australian Commission on Safety and Quality in Health Care approved accreditation body.

Once achieved this allows the private hospital to apply for a Commonwealth Provider number which is imperative for claims made to private health insurers on behalf of patients.

Some States and Territories require accreditation to the National Standards only, where others require additional quality measures such as ISO 9001 or ACHS EQuIP. There needs to be consistency across Australia with respect to the State and Territory jurisdictions' accreditation requirements.

7. Conclusion

The day hospital sector provides same day treatment and international evidence shows that this is the future of elective surgery and an increasing number of elective medical treatments. The sector delivers a safe, quality, low risk, cost effective care option for consumers.

The introduction of additional regulations, standards and other requirements imposed on day hospitals to allow them to provide their services to patients, in some cases, threatens the viability of individual day hospitals.

The day hospital sector has a significant contribution to make to the overall health care of Australians and this fact needs to be recognised when changes are proposed to legislation, regulations, standards and other measures to ensure that such changes are realistic to the day hospital environment.

Should you wish to discuss any of the above in more detail, please do not hesitate to contact me

Yours sincerely

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