

We need hospital beds, not super clinics

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IF you believe the hype, Australia stands on the cusp of a healthcare revolution that will keep more Australians well and cure the hospital crisis.

The Bennett report, the National Health and Hospital Reform Commission's 300-page reform blueprint, recommends the Rudd government expand primary healthcare services such as physiotherapy and podiatry available under Medicare through a billion-dollar 300-strong national network of GP super clinics that would bring general practitioners, nurse practitioners, and other health professionals together in one-stop healthcare shops.

This would amount to the biggest expansion in Medicare's 25-year history, and according to the NHHRC would fix the problems in public hospitals by developing a so-called person-centred health system.

But will it remedy the long waits for emergency and elective treatment in Australian public hospitals that have too few beds to cope with rising demand from an ageing population?

Since 1984 there has been a 60 per cent cut in the number of public hospital beds, yet hospital patients aged 85 and over have increased by over 20 per cent in the last five years. Record longevity and increasing levels of age-related illness means we need more beds to meet the increased demand for hospital care arising from a larger, older and sicker population. Super clinics are no substitute for beds.

Unfortunately, the NHHRC is advising the government to centrally plan and micro-manage the health system. It claims to know the right mix of primary care rather than hospital-based care needed in coming decade.

The theory is that re-orienting the system around wellness-promoting care will cut waiting times by reducing the pressure on hospitals. Instead of only having access to taxpayer-funded hospitals, we will have access to taxpayer-funded primary services to keep us healthy and out of hospital. Ten per cent of admissions to public hospitals are preventable, the Bennett report claims, if elderly and chronically ill patients receive better primary care.

Yet the research debunks the idea more primary care reduces demand for hospital care. Even the expert discussion paper commissioned by NHHRC found the expected reduction in hospital admissions did not occur where stronger primary care services have been introduced. In fact, the evidence suggests the pressure on hospitals is increased by uncovering unmet need for hospital care.

Yet the NHHRC ignored these findings and rubber stamped Rudd's expensive super clinics.

One in 10 dollars in the national economy is spent on health, yet there still aren't enough beds. Approximately 70 per cent of all health spending is funded by taxpayers and controlled by governments, and public hospitals at present lock up one-third of the nation's health dollars (about \$30 billion per year). The estimated cost of the measures proposed in the Bennett report is as high as \$36bn over the next five years alone, and they are projected to reduce government health spending by just 0.2 of GDP (12.4 to 12.2 per cent) in 20 years. Cost containment is important, but more important is ensuring scarce health dollars are spent effectively.

The COAG meeting in the first week of December will discuss the Bennett report ahead of the federal government's formal response early next year. If the Prime Minister is serious about a health revolution, he should break the habits of a lifetime and resist the temptation to act as the nation's health planner and micro-manager-in-chief. Instead of Medicare Next Generation, the Rudd government should boldly go where none has gone before down the path of micro-economic hospital reform. The way to solve the hospital crisis is to use the financial muscle of the commonwealth to allow greater choice and competition and optimise the use of public and private hospitals to deliver taxpayer-funded care.

The federal government should assume full responsibility for funding public hospitals. All funding should then be tied to the delivery of care by means of Medicare-issued hospital vouchers, with patients free to choose between competing public and private hospitals. The administration of public hospitals should be decentralised, with state governments required to close down outrageously over-staffed area health services and re-establish independent local hospital boards. The enormous waste on bureaucracy must cease, with the savings reallocated to pay for frontline services, especially beds.

A voucher system would improve quality, increase productivity, and be truly person-centred. Because funding would follow patients, demand for hospital services would set the supply according to the clinical needs of our ageing population, and all Australians would have better access to a hospital bed when health problems are greatest. Market-based reform would mean that getting the right hospital care at the right time would no longer depend on the plans of politicians who, as the Bennett report shows, often get the prescription terribly wrong.

Source

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