PUBLIC ACCOUNTS COMMITTEE

INQUIRY INTO THE USE OF VISITING MEDICAL PRACTITIONERS IN THE WA PUBLIC HOSPITAL SYSTEM

TRANSCRIPT OF EVIDENCE TAKEN
AT ST JOHN OF GOD HOSPITAL, BUNBURY
FRIDAY, 23 NOVEMBER 2001

FOURTH SESSION

Members

Mr D'Orazio (Chairman)
Mr House (Deputy Chairman)
Mr Bradshaw
Mr Dean
Mr Whitely

CARLIN, MR NOEL STEPHEN,
examined:

Mr HOUSE: This committee hearing is a proceeding of the Parliament and warrants the same respect that proceedings in the House itself demand. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as a contempt of the Parliament. Have you completed the details of witness form?

Mr Carlin: Yes, I have.

Mr HOUSE: Do you understand the notes attached to it?

Mr Carlin: Yes, I do.

Mr HOUSE: Did you receive and read the information for witnesses briefing sheet before appearing before this committee?

Mr Carlin: Yes I did.

Mr HOUSE: Did you make a written submission to the committee?

Mr Carlin: I responded to the request for written material. I have sent my submission to the Department of Health, and I understand it will be included as part of a package of material being provided to the committee.

Mr HOUSE: Via the Department of Health?

Mr Carlin: Yes.

Mr HOUSE: Would you like to present any evidence or documentation?

Mr Carlin: I have no documentation other than what I have submitted to the department. I understand that will be part of the package of material to be provided by the Department of Health to the committee. I have no information to table this morning, although I have brought a copy of the information about the earnings of specific medical practitioners over the past two years. I will table that document.

Mr HOUSE: That document has been tabled. Do you wish to make a statement to the committee or some general comments?

Mr Carlin: I will explain my role. I am general manager of the Vasse Leeuwin Health Service. As requested by the committee, the material I have provided covers the past two financial years. It includes details about the three health care institutions that make up the patch that I manage. I have provided material relating to the Augusta Hospital, the Augusta multi-purpose service, the Margaret River Hospital and the Busselton District Hospital.

Mr HOUSE: How many beds does each facility have?

Mr Carlin: The Augusta facility has 18 beds, including acute care and nursing home beds. It is a multi-purpose service that provides a one-stop shop for health care. It is funded by both the state and commonwealth public health systems. It also caters for the lodge at Augusta, home nursing, day care, meals on wheels, the Department of Veterans' Affairs patients and home and community care services. That is in the southern extremity. Margaret River Hospital currently has 20 beds, of which six are designated as nursing home beds and 14 are acute care beds. That hospital manages a range of other community-based services. Busselton District Hospital has 44 acute beds and a day surgery unit comprising seven beds.

Mr HOUSE: Is that the total capacity or is that what you have operating at the moment?

Mr Carlin: That is the capacity of the hospitals and what we have operating.

Mr HOUSE: They are one and the same?

Mr Carlin: Several years ago, Busselton District Hospital had a significant nursing home component. That was moved to private sector management.

Mr HOUSE: The committee's inquiry relates to all aspects of the visiting medical practitioner service. Members have very open minds, understanding that there are differences in some areas about how that service needs to operate given geographic and professional isolation and so on. Do you wish to make any comment about how you see the VMP service operating at those three hospitals?

Mr Carlin: I will focus on Busselton District Hospital. If there are any specific differences, I will highlight them. Traditionally in the rural setting, fee-for-service medicine has been the vehicle for providing medical cover for hospitals. That has also been the case in the metropolitan non-teaching arena. Medical care in Busselton, in particular, has traditionally been the preserve of local general practitioners. Today, medical services are predominantly provided at my hospital by local GPs. They work as private general practitioners, but they also work on a fee-for-service basis under a contract arrangement with the hospital. I have 22 or 23, depending on whether I have trainees in town. I have a range of visiting specialists - some from Perth and some from Bunbury. I have one resident specialist who provides speciality services in surgery, urology, anaesthetics, obstetrics, orthopaedics and plastic surgery.

Mr WHITELY: Is that the surgeon who earned $433 000?

Mr Carlin: Yes. One surgeon is resident in Busselton, and he does most of his work at Busselton District Hospital. However, he also does some limited work at Margaret River Hospital. The only other doctor who operates in the Vasse Leeuwin area is a surgeon who does some work at Margaret River Hospital. He is essentially Bunbury based. The surgeon I have is the one and only, and he works 52 weeks a year. He does a significant amount of procedural and emergency work. He covers most of the caesarean section work in the Busselton-Margaret River area. He has provided an excellent service to our patch. He has been an exceptionally good corporate citizen in terms of his participation. Obviously, his earnings are a factor of the unit cost of what he does by the volume of work that he undertakes. This year, I think he has about 190 operating lists that he will undertake in Busselton District Hospital.

Mr HOUSE: Does Busselton District Hospital have only one operating theatre?

Mr Carlin: It has two operating theatres.

Mr HOUSE: What is the situation in the other hospitals?

Mr Carlin: Margaret River Hospital has one operating theatre; Augusta Hospital has one operating theatre and a birthing suite. It no longer does any routine surgery. It has the capacity to do "lumps and bumps" - that is, minor surgery - but it cannot do general anaesthetics. It does not really have anaesthetic support, nor does it have the facilities in its operating room to undertake invasive surgery.

Mr HOUSE: Do you have a long waiting list for any procedures?

Mr Carlin: This may have been explained already. The hospital does not have waiting lists; the doctors who work for us maintain their own waiting lists.

Mr HOUSE: In your capacity as manager, are you aware of doctors who have long waiting lists to perform operations in your hospitals?

Mr Carlin: No; there are no such long waiting times for operations.

Mr HOUSE: Can we presume that people are being attended to in a reasonably timely fashion?

Mr Carlin: Yes.

Mr BRADSHAW: How does the VMP system work in this area? Do you think it could be improved?

Mr Carlin: The VMP system is very good because the doctors get paid only when they work; they get paid for exactly what they do. That differs from the salaried-officer arrangement. Our dependence on local general practitioners to provide medical, anaesthetic and obstetric care in hospitals ensures an appropriate balance between those practitioners providing outpatient and general practitioner services in their rooms and servicing the hospital. However, there is tension in some areas. Busselton, in particular, could be characterised by several years of tension and difficulty in the provision of emergency medical services by fee-for-service doctors, particularly general practitioners.

Mr BRADSHAW: What was the tension about?

Mr DEAN: Anne Donaldson mentioned earlier today the connection between your accident and emergency department and Bunbury. Please explain that.

Mr Carlin: I will provide some background because that is important in understanding the decision making that took place at Busselton. There have been difficulties for some time in the provision of medical services to the accident and emergency department of Busselton District Hospital. Those services have traditionally been provided by visiting medical practitioners on a fee-for-service basis. There were three main difficulties. Initially, we had a dispute between the various practices that comprise the medical fraternity of Busselton and Dunsborough about the level of rostered cover each should provide. That was the origin of the dispute. As it developed, there was an emerging view that the remuneration available to doctors to provide services, particularly on-call services, to the hospital emergency department was not appropriate. Probably the most important factor was the heavy private workload of the general practitioners in Busselton and Dunsborough. The influx of visitors and holiday makers to the Busselton and Dunsborough areas, in particular, caused major spikes in GP requirements. It was a particular issue at holiday times, because people who came to the south west and did not have a doctor in the area would come to the emergency department in lieu of having their own GP. The local general practitioners were being called upon to leave their busy waiting rooms to deal with accident and emergency cases at the hospital. Those factors were at the heart of the dispute that has raged over the past -

Mr WHITELY: How many attendees do you have in the accident and emergency department?

Mr Carlin: In Busselton we have approximately 10 000 a year, and we have about 14 000 across Vasse Leeuwin. The nature of the dispute was characterised, particularly in its later stages, by the increasing refusal of local practitioners to treat what are referred to in Busselton as "out-of-towners". That means holiday makers, visitors and people who are -

Mr HOUSE: Would no-one treat them?

Mr Carlin: They were unaligned with a local GP, so they were designated as "out-of-towners". I have been in Busselton for about 18 months, but the issue has been simmering to the surface occasionally over the past four years. The doctors were willing to be called in to treat their own patients to ensure continuity of care. It reached a point towards the end of 2000 at which the doctors were increasingly unwilling to be depended upon to attend to treat out-of-town patients. We had to implement alternative arrangements in the third and fourth quarters of last year, during which our accident and emergency service had to be on bypass for out-of-towners. That was particularly difficult because the number of doctors withdrawing their support for the out-of-towner roster increased. We got to a point at which the risk was such that we made a decision, in conjunction with the Department of Health, that we could no longer support it. The doctors in Busselton and Dunsborough indicated their preparedness to support the out-of-town roster. However, they proposed what they referred to as a "facility guarantee" fee. That would have been remarkably like an on-call fee arrangement. That involved offers from practitioners - who are

prohibited by the Australian Competition and Consumer Commission from behaving collaboratively - from as little as $500 a day up to $3 500 a day to be available for on-call services to our hospital.

Mr HOUSE: That raises an interesting question. The committee has taken evidence from a number of people who have suggested that there should be some sort of on-call allowance to recompense the doctors for the disadvantage or disruption that that causes to family life. It strikes right at the core of the level of that fee. If you had a range of offers like that, people obviously have different expectations about what that fee might be.

Mr Carlin: Yes, they do. It was a case of what value the practitioners placed on their time. The assertion was that that remuneration would be the opportunity cost that the doctor required for perhaps not working the following morning or the following day in his rooms as a general practitioner. Whether the doctors would have taken the next day off had to be tested. Over the past two years, we have explored every possible option for providing accident and emergency services other than through the VMP arrangement. That included considering how we might tender out the business to individuals, multiple doctors or practices. We also looked at moving to a salaried arrangement. That was the ultimate decision, which was made in conjunction with the chief medical officer of the Department of Health and the Vasse Leeuwin Health Service board on 9 December last year.

Mr HOUSE: And it works?

Mr Carlin: The decision was made on 9 December. We had to instigate interim arrangements from then until August of this year. We planned to advertise for salaried doctors in the new year but that was halted by the calling of the election, which halted appointments to the public service. We had an interim arrangement with a consortium of emergency doctors in Perth. We moved to our permanent arrangement on 13 August this year. Our permanent arrangement is that one doctor is on duty all the time in the emergency department of Busselton District Hospital. It would have been preferable to have on-call arrangements through the night but none of the doctors who were Bunbury-based were willing to travel to Busselton to be available in the time frames required. I think they were offered only $8.37 an hour. Nor were the local practitioners in Busselton, who are now working for us as salaried doctors, willing to undertake that on-call work without the guarantee of some payment. We now have a doctor on duty 24 hours a day, seven days a week.

Mr BRADSHAW: What level of doctor are they?

Mr Carlin: They are all senior doctors. We are not prepared to have relatively junior doctors working in isolation in a place like Busselton. They have to be at a level that enables them to deal with what comes through the door.

Mr HOUSE: What about the other two hospitals? Do they work on the same principle?

Mr Carlin: No. Margaret River has a roster of general practitioners who support the hospital. It is similar in Augusta; the workloads are very much smaller. The issue of not treating out-of-towners has never been a problem at Margaret River. The critical mass does not exist in Margaret River to support emergency medicine salaried doctors.

Mr WHITELY: Apart from financial considerations, are there any quantitative considerations for out-of-towners? Are they unruly or badly behaved? What about the "schoolies"?

Mr Carlin: No, it is not particularly geared to "schoolies". It is geared for people from all walks of life who come from Perth, interstate and elsewhere as holiday-makers. We could not run an emergency department that discriminated against them. As for moving to an arrangement of salaried medicine, we now have guaranteed cover all the time, irrespective of who attends the department. The doctors in the accident and emergency ward are salaried. We have guaranteed medical support 24 hours a day for our nurses, who were very often left in an invidious position of having to do a ring around to try to find a doctor who would be prepared to attend the hospital to

treat a patient. They faced the possibility of transferring patients by ambulance to Bunbury. That level of guaranteed support for nurses is very important. It sends a very important signal to our community. An interesting characteristic of the withdrawal of services last year was the likely impact it had on tourism, the chamber of commerce and the economy of Busselton. It sends a signal to people visiting the area that there is a guaranteed level of medical support for our hospital.

Mr HOUSE: Did you consider withdrawing the doctors' rights?

Mr Carlin: It was conceivable, but we did not actively consider it as an issue because not all doctors were withdrawing from the roster. It was a progressive issue. On the other hand, those doctors also provided medical care, obstetric care and anaesthetics cover. It would have caused a total removal of all medical services from hospital with the exception of a limited number of specialists.

Mr WHITELY: What is the total budget for salaries in the accident and emergency department?

Mr Carlin: In the past several years we have traditionally spent $330 000 a year in the provision of fee-for-service accident and emergency cover. The salary costs for providing 24-hour cover in the emergency department is $698 000.

Mr WHITELY: It is significantly more expensive.

Mr Carlin: It is more than that. When one adds loadings for annual leave, long service leave and so on, one is looking at a further 20 per cent. We now pay superannuation, which we would not do on a fee-for-service basis.

Mr WHITELY: It is two and a half times as expensive.

Mr Carlin: Yes. It is in the order of $850 000.

Mr WHITELY: I imagine the other drawback is that at peak times only one doctor would be in attendance. Can one doctor cope with the extra patients?

Mr Carlin: We intend to have one doctor on but we would probably supplement him with additional nursing staff during peak times. During peak times we deal with patients in a priority order through triage categories. We do not see patients in the order they arrive. Although we may have difficulties during peak periods, it means that the medical costs of the emergency department are now relatively fixed and not linked directly to the volume of attendances.

Mr WHITELY: There are additional nursing costs.

Mr Carlin: We have additional nursing costs anyway, irrespective of whether we run a fee-for-service arrangement or a salaried arrangement. We traditionally bolster our staffing arrangements at Christmas, Australia Day and Easter.

Mr DEAN: You have not gone through a peak period as yet?

Mr Carlin: Christmas and Easter are the peak periods. When planning, we look at 20 to 25 weekends a year. We have "schoolies" at the moment. Christmas and New Year are coming. The accident and emergency department will have a number of people attending. The number of attendees in category 1 triage, which is immediately resuscitation, is very small indeed. The vast majority of people will attend the department in what is classified as triage categories 4 and 5. That is not to suggest they are not sick. Categories 4 and 5 denote a level of urgency. We will be able to respond to serious emergencies and those with sore throats, lumps and bumps may have to wait three hours instead of one hour. An interesting observation is that in recent times general practitioners are open for extended hours in Busselton. When general practices close and out-of-towners arrive for treatment, the next option is hospital.

Mr HOUSE: Do any of the doctors in your region bulk bill?

Mr Carlin: To the best of my knowledge they do not. They may bulk bill some specific groups such as pensioners but I do not have any specific knowledge.

Mr HOUSE: When you made this decision, what did it do to your general hospital budget? Did it have a dramatic effect?

Mr Carlin: Yes. The commitment was that the move to a salaried budget would not be to the detriment of other aspects or other programs of care in the hospital. That commitment was given by the Vasse-Leeuwin Health Service at the time of the department's decision. This is the first year we are facing the consequences of the impact of that. The minister recently announced an allocation of $500 000 to support the integrated emergency service between Busselton and Bunbury, which would bring us into the ballpark figure of our traditional VMP costs for accident and emergency services.

Mr HOUSE: Can you give me a gross figure for additional costs such as superannuation for employing a salaried doctor in a hospital such as yours?

Mr Carlin: As part of the preparation for the submission for the Department of Health it is estimated that direct costs would be in excess of $200 000 a year for a salaried doctor at level 22.

Mr HOUSE: Is that to do eight hours work at the hospital?

Mr Carlin: It is for a normal contractual arrangement.

Mr HOUSE: Is there any restriction on such a doctor joining a private practice and doing an additional two or three hours work a day?

Mr Carlin: We may have a restriction from an occupational safety and health perspective as we would be concerned about the hours such a doctor may be working.

Mr HOUSE: Do the contracts that you will get the doctors to sign have an exclusion clause for other work?

Mr Carlin: It requires them to seek permission from the general manager of the health service where they work before they undertake any other work. When we introduced the salaried service, one of our objectives was not to alienate those general practitioners in Busselton who wanted to continue to do accident and emergency medicine, either from a commercial perspective or from that of gaining clinical experience. Several of the local doctors have a part-time arrangement to work in emergency departments in the evenings and overnight. It combines the best of both worlds.

Mr WHITELY: Are you saying that some of your category threes are made up of halves? I think you said there were three accident and emergency salaried positions?

Mr Carlin: No, I did not say that. The emergency department provides 24-hour cover. It is made up through a variety of doctors who are rostered either full-time or part-time.

Mr BRADSHAW: The witness said that there is shortly to be an allocation of another $500 000. Is that since the chairman resigned?

Mr Carlin: No. It was an announcement that the minister made formally at a presentation in Busselton on 8 October. My chairman resigned only two weeks ago.

Mr BRADSHAW: You also indicated that the appointment of salaried medical officers would not be to the detriment of other services. Is that going to hold?

Mr Carlin: Yes, it is. Although we have a difficult budgetary situation this year, we are planning to deliver the contracted volumes of in-patient and other programs services. None of our other services will be affected.

Mr BRADSHAW: Why did the chairman resign in protest?

Mr Carlin: He asserted that the Vasse-Leeuwin Health Service was being underfunded this financial year by the Department of Health. As I understand it, he felt that the board might be

perceived to be accountable for its inability to match its expenditure to the budget provided. He was not prepared to accept that accountability.

Mr WHITELY: How many full-time equivalent staff are in the accident and emergency department?

Mr Carlin: At 168 hours a week, it is just over four. We did not want to be in the same market recruiting the same doctors as Bunbury. We said that it did not make sense to have two stand alone, salaried emergency services only 40 minutes drive apart. The director of emergency services at Bunbury and the director of medical services - with the agreement of the two boards - collaboratively agreed to set up a combined service. We are contracting with Bunbury to recruit on our behalf the doctors we want to work in our emergency department. We are establishing a set of protocols to support nursing medicine in both towns.

Mr HOUSE: The committee has taken evidence from doctors and health administrators that the system you have established takes away incentive, work rates drop off, affects other doctors in the town and is generally unsatisfactory. That is one of the views, but not the only view.

Mr DEAN: Not of your service - in a general sense.

Mr HOUSE: When we ask people why they do not appoint a salaried doctor, what I have just said is often the response.

Mr Carlin: I will specifically address accident and emergency services. Despite some of the tensions that existed between practices in Busselton and Dunsborough over rostering, there was also another divide in town between the doctors interested in continuing accident and emergency work. They were generally younger doctors. Some of the older doctors were saying that they had been there and done that and were not terribly interested in accident and emergency work. We have managed to secure the services of those doctors who wanted to hang in there. I detected a significant amount of relief from those doctors who will no longer be required to service accident and emergency. We reached a denouement - a happy conclusion - particularly for the accident and emergency department.

Mr HOUSE: What word did you use?

Mr Carlin: Denouement.

Mr HOUSE: What language is that?

Mr Carlin: French. We are a fairly literate lot in Vasse Leeuwin.

Mr BRADSHAW: Not used a lot in Gnowangerup.

Mr Carlin: I suppose one could have a denouement in Gnowangerup.

Mr HOUSE: Not a lot of us speak French.

Mr Carlin: It was a successful conclusion. We have confronted no difficulties at all with that. We must ensure continuity because in the past the doctors who serviced the accident and emergency department would often see their own patients and there was therefore a continuity of information and understanding. We must still improve some of the mechanics of the process to make the relationship between hospital doctors and community doctors better. It is difficult to say how salaried medicine would affect general disciplines, because if we introduced salaried medicine in an institution such as mine, we would not run both systems; we would not run fee for service and salaried medicine. That would cut off the vehicle for general practitioners to practice inpatient and hospital medicine. We would not be able to deliver all the services that we deliver through salaried medicine by dint of critical mass and the unlikelihood of attracting specialists to do sessional or salaried work, particularly if they have to travel from Perth. We are very dependent on fee for service medicine.

Mr HOUSE: We are running short of time. Does anyone have a question? Was there anything you wanted to add or present to the committee?

Mr Carlin: I have worked in the metropolitan area and in rural areas. We have been well served by fee for service medicine. It is my personal opinion that the level of remuneration that many fee for service doctors get is reasonable for the service they provide. The level of remuneration in some aspects of fee for service medicine in which technology has improved perhaps need to be re-examined, but that is an issue each time the schedule fees and agreements are renegotiated. In general, we and the community are well served by it because it gives continuity and, in places like this, choice. There are down sides to it, but on balance I find at a very useful vehicle.

Mr HOUSE: Just as a quick summary, the committee is generally impressed with the level of commitment shown and the quality of work done by health professionals in all spheres across rural Western Australia. Our desire is to try to add some value to that if we can and to make positive recommendations. We are certainly aware that there are different needs in different areas; they vary considerably from the goldfields to the south west. If over the next few days or weeks you think of things you would have liked to have said to the committee, you are welcome to make a further submission to Stefanie at Parliament House. You are welcome to enlarge on any matters in that way. Thank you for coming this morning.