



# Blueprint for reform of hospitals

The Catholic system is an ideal test case for the development of a new funding model for public hospitals

ANGELA SHANAHAN



WITH all the recent hoopla over the federal government's attempts to introduce a new tax slug called the emissions trading scheme, you may have overlooked the non-implementation of a policy that was an important part of Labor's election platform two years ago.

Kevin Rudd has been in consultation for five months over the Health and Hospitals Reform Commission recommendations that federal funding be given directly to hospitals. The Council of Australian Governments meeting is next week, so it seems the time is up. Far from seeing any better outcomes during the past two years, elective surgery waiting lists in public hospitals have gone from an average of 34 days to 36 days.

If you have had to visit casualty lately, as I did in Canberra in the grip of a swine flu epidemic, you may have noticed that chaos reigns. This is not the fault of the doctors and nurses who work in public hospitals. They just keep doing their jobs. But they are constrained by lack of staff and lack of funds for certain things, which means their discretion as professionals is hampered. Morale is low. We all know we need systemic reform of hospitals, now.

The solution, which has been seized by Catholic

Health this week, is to offer Catholic hospitals as a template for reform. In a meeting with the Prime Minister on Wednesday, Martin Lavery, head of Catholic Health Australia, offered the 21 Catholic public hospitals, a total of 2500 beds, to be used as test for direct commonwealth funding. This would eventually be extended to the rest of the system. Lavery calls it a circuit-breaker for the problems of all public hospitals, caused largely by duplication.

John Dwyer, professor of medicine at the University of NSW, has estimated \$2 billion to \$4bn could be saved annually if the costs of duplication in administration and policy development by commonwealth and state and territory governments could be eliminated and directed instead to public health measures.

The only way to dismantle the cost-shifting between state and commonwealth boundaries and make the system more efficient is to reduce the number of boundaries between funders. The only way to do that is to reduce the number of funders.

The federal government must take responsibility for being the single funder of the public health service. Being the single funder does not mean the commonwealth would become a hands-on operator



## There is increasing ideological opposition to the place of a religious ethos in health care

of services. It would become accountable, however, for what Catholic Health Australia, in its submission to the reform commission, refers to as “the wise purchasing of services provided by other providers”. Namely, in this case, Catholic Health providers.

The model to look to is educational institutions. Interestingly, Catholic hospitals are already 10 per cent to 20 per cent cheaper to run than secular hospitals because they have separate contracts, so accountability is higher. They can’t overrun their budgets.

The implication of using Catholic hospitals as a test for the rest of the health system when there is increasing ideological opposition to the place of a religious ethos in health care is challenging, to say the least.

If the furore over the attempted purchase by the ACT government of Calvary hospital in Canberra, about which I wrote earlier this month, is anything to go by there will be much more heard on this subject. After all, the main reason the ACT government wants to take over Calvary is ideological.

The hospital’s ethos is at odds with the aggressively secularist green left complexion of the ACT government, which would rather put the territory into debt than allow the hospital to continue as a Catholic institution.

What is more, there is a concerted campaign, particularly in Victoria, to eliminate state-funded

health care with a religious ethos altogether.

This month, the president of Reproductive Choice Australia and spokeswoman for Pro Choice Victoria Leslie Cannold wrote an article in *The Age*, entitled “Women failed by Catholic-run hospitals”, arguing that Catholic hospitals shouldn’t get state funding if they don’t do abortion, sterilisation and contraception. Meanwhile, extremist University of Oxford-based Australian bioethicist Julian Savelescu has written that if Catholics and others cannot in good conscience perform these sorts of procedures, they shouldn’t be permitted to practise medicine.

Curiously, these virulent critics, tend to focus very heavily on the few *elective* things the Catholic pro-life ethos forbids, such as abortion and contraception, and not the myriad life-preserving things it encourages and perfects in its hospitals, notably the teaching hospitals.

Things such as heart and lung transplantation, bone marrow transplantation, cardiology, cancer care, HIV-AIDS care, respiratory medicine, mental health, alcohol and drug services, to pick a few things listed on the website of Sydney’s St Vincent’s hospital.

And there are many other areas, such as aged care, where one in 10 aged Australians are receiving Catholic health care, or maternity services, or hospices. It is worthwhile remembering, too, that hospitals were invented by the Catholic Church.

However, if Lavery’s initiative succeeds and the commonwealth decides to eliminate duplication and waste and become the single funder of Catholic public hospitals, not only will the spectrum of services at those hospitals benefit, the prospect will mean all public hospital staff can breathe a sigh of relief.