

Mr Stuart Wright  
Committee Secretary  
Legislative Council  
Parliament House

Submission regarding:  
Government Administration Committee “A”  
Sub-Committee Inquiry into  
**The Cost Reduction Strategies of the Department of Health and Human Services**

The Royal Hobart Hospital (RHH) is Tasmania’s tertiary referral centre and major University teaching hospital. It plays a central role in the delivery of acute general health services to the population of Southern Tasmania as well being a resource for specialised medical services Statewide. The RHH is also a key partner for the medical school as well as having a critical role in delivering post-graduate specialist training programs in Tasmania. The RHH also sustains the viability of a range of private hospital services through ensuring a critical mass of specialised medical staff are recruited and retained in Hobart. The interdependency of the RHH, medical school and the private health systems in Hobart is substantial.

Given the small workforce available in many medical specialties, individuals often have indivisible roles across each of these three sectors. Consequently, any damage done to the viability of clinician recruitment and retention at the RHH will resonate throughout the entire health sector. The current level and pace of public hospital budget cuts is pushing the specialist workforce toward a “tipping point”. Multiple services and institutions are at risk if the RHH fails in its historic role as a core for specialist medical services. Teaching and training functions, in conjunction with the suite of interconnected clinical services that provide the foundation for specialist patient care in the State, are in jeopardy if the RHH fails in its leadership role.

Whilst much attention has been rightly focused on the immediate impact of hospital budget cuts (eg. patient waiting lists), longer term consequences to medical training recruitment and retention may not have been carefully considered.

Tasmania’s decentralised and relatively small population has long frustrated attempts to provide high quality public medical services at an efficient cost to the entire Tasmanian population. Numerous expert reports and reviews have been previously commissioned to guide health planning and ensure rational resource allocation. In the past decade alone, the Richardson Report in 2004 (The Tasmanian Hospital System: Reforms for the 21<sup>st</sup> Century) the Wallington Report in 2007 (Tasmania’s Health Plan: Clinical Services Plan), to name but two, have called for rationalisation of acute hospital and specialist expertise into centres of excellence. Each of these reports have identified the need to improve the quality and safety of patient care as well as ensuring services are provided at an affordable price.

The solution consistently identified has been to rationalise the number of public hospitals and to concentrate specialised services to ensure a localised critical mass of

staff expertise (to sustain training, on-call rosters, patient numbers and specialist skill). This has been seen as the best opportunity to assemble a critical mass of interrelated specialties. In this regard, the RHH has been consistently identified as the key centre of tertiary hospital care and training.

Despite the recognised importance of the RHH as a tertiary referral centre and teaching hospital, the extent and pace of current budget are without due consideration of Tasmania's need for long term health planning. However, this is not a situation without some precedent. Medical services at the RHH faced near collapse in 2004 due to a number of tight budgets in the preceding years leading to under-resourcing specialist services. The ensuing crisis resulted in an expert external review by the Royal Australian College of Physicians which identified the need for rebuilding of specialist clinical departments to minimum staff and infrastructure levels to ensure ongoing viability of patient services, teaching and training in the State.

As a result, significant Government commitments were made both in principle and reality to the concept of the RHH as a tertiary referral centre and teaching hospital. These culminated in the Better Hospitals Stage 1 and 2 programs which saw reconstitution of a demoralised and depleted RHH medical workforce. Over subsequent years a sustainable and viable suite of tertiary hospital medical services were re-established. However, despite this effort or the justification and clear rationale that went into the reforms of Better Hospitals Stage 1 and 2, the current budget restrictions threaten to undo the lessons learnt in 2004, or the corrective actions taken over subsequent years. The budget pressure currently applied to the RHH risks undoing much of the rebuilding undertaken over the past seven years.

The present budget cuts are unprecedented and their impact far reaching - a health system "train-wreck" seems ultimately inevitable. The key elements of this collapse will be; destruction of sustainable specialist services, loss of undergraduate and postgraduate teaching and training opportunities, damage to the medical school, failure in staff recruitment and retention, reduction in the capacity of the private sector to share service load with the public system, and ultimately derailment of long term medical succession planning and clinical service planning for both the RHH and the Tasmanian health system in general.

The following questions are relevant and should be asked:

1. What risk assessment has been undertaken by the RHH and DHHS in relation to short, intermediate and long term impacts of current budget cuts on (i) undergraduate and post-graduate medical education and training, (ii) sustainable provision of specialised medical services, (iii) adequacy of inpatient bed numbers to cope with peak public hospital demand?
2. What risk assessment has been undertaken by the RHH and DHHS in relation to short, intermediate and long term impacts of current budget cuts on the viability of private hospital services and public private load sharing (eg. surgery, ICU, Neurosurgery, medical specialties)
3. What oversight of RHH hospital decision making in relation to the application of budget cuts is being undertaken by the DHHS to ensure that long term programs and strategic directions implemented as part of previous health plans are not destroyed by current budget measures?

4. What impact assessment in relation to the current budget cuts has been undertaken in relation to their likely adverse effects on specialist clinical services, teaching, training and research at the RHH. Have these impacts been referenced against the strategies proposed and implemented as a result of reports such as the Wallington Report, Richardson Report, Royal Australian College of Physicians review of clinical services medicine, and the Better Hospitals Stage 1 and 2 programs?
5. What will be the impact of current budget cuts and service reorganisation at the RHH on the viability of tertiary hospital services and the RHH teaching hospital role?
6. Will current budget cuts and service reorganisation at the RHH result in service changes and staffing reorganisation which will prevent the hospital fulfilling commitments (as outlined in the November 2010 Clinical Services Plan Update) made as part of receiving funding from the Federal Government Hospital in relation to construction of the new Royal Hobart Hospital?

Yours sincerely

John

Professor John Burgess  
MBBS, PhD, MD, FRACP  
Professor of Endocrinology