

PRIVATE OPERATORS OF PUBLIC HOSPITALS

Statement by Minister for Health

MR KUCERA (Yokine - Minister for Health) [2.21 pm]: Labor made an election commitment to review the contractual arrangements between the Department of Health and the private operators of public hospitals. I am pleased to report the progress in delivering this commitment in the Joondalup and Peel health campuses. I asked Hon Ljiljanna Ravlich, as parliamentary secretary, to oversee and coordinate the review. She has been ably assisted in this task by Dianne Guise, MLA, member for Wanneroo, Tony O’Gorman, MLA, member for Joondalup, Norm Marlborough MLA, member for Peel, and David Templeman, MLA, member for Mandurah. Senior officers from the Department of Health and the Department of the Premier and Cabinet have provided expert technical assistance. I acknowledge and thank all who participated in the review.

I have now received the recommendations. The review has carefully examined the contractual arrangements entered into by the previous Government and has concluded that the contracts appear to be binding. For that reason the Government will not seek to renegotiate its obligations under the contracts. Attempting to break the existing contracts risks further service disruption and uncertainty. Instead, it is intended to work with the contractors within the existing contract framework to improve service quality.

The principal conclusions of the review in both Peel and Joondalup campus contracts are that the contracts rely excessively on self-regulation and third party monitoring, and there is no clear contractual mechanism to ensure that the operator’s private commercial interests do not risk coming into conflict with its obligations under the contract. For example, the State cannot direct the operator to conform to government policies or ethical standards in the provision of public hospital services, despite the fact that the State is paying for the services, and is ultimately accountable for them.

The review also recognises some strengths, particularly in relation to the benchmarking of public hospital cost data and the application of this data as a model for determining service costs. Recommendations of the review include active management of the contract and monitoring of services by the Department of Health; improving levels of community knowledge and awareness of the range and quality of public hospital services expected at both the Joondalup and Peel campuses; and, in relation to Joondalup, expansion of the community board of advice to include a government member.

These recommendations should help to put structures in place to contribute to improved levels of accountability and transparency under the contracts. They are also intended to lead to the delivery of better quality services to the community. I have asked the Department of Health to work collaboratively with the operators to implement these recommendations. As I have said before, there is no single solution to improving the State’s health system. There is still much to do, but we are making progress.