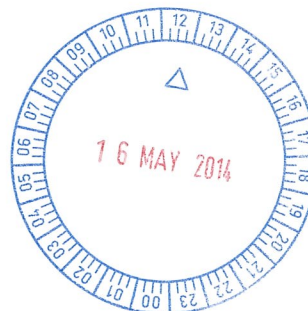




PARLIAMENTARY NATIONAL PARTY OF AUSTRALIA (WA)

Ms Lauren Mesiti
Standing Committee on Public Administration
GPO Box A11
PERTH WA 6837



16 May 2014

Dear Ms Mesiti,

**SUBMISSION TO THE INQUIRY INTO THE PATIENT ASSISTED TRAVEL
SCHEME**

This is the Parliamentary National Party's (WA) (PNP) submission for the Inquiry into the Patient Assisted Travel Scheme.

The PNP's submission is structured around the terms of reference of the inquiry.

Should you seek any additional information regarding our submission, please do not hesitate to contact me.

Yours sincerely,

HON MARTIN ALDRIDGE MLC
Secretary



PARLIAMENTARY NATIONAL PARTY OF AUSTRALIA (WA)

**PUBLIC ADMINISTRATION COMMITTEE – INQUIRY INTO THE PATIENT ASSISTED
TRAVEL SCHEME**

SUBMISSION

16 MAY 2014

1. BACKGROUND AND INTRODUCTION

The Parliamentary National Party (PNP) welcomes the Legislative Council's Public Administration Committee inquiry into the Patient Assisted Travel Scheme (PATS) in Western Australia (WA).

The centrally administered *Isolated Patients Travel and Accommodation Scheme* (IPTAAS) was abolished in 1987, replaced thereafter by state-based models. It was agreed between Federal, State and Territory officials that a decentralised approach would be more effective in meeting the needs of regional communities¹.

The philosophy behind the former IPTAAS and the current PATS delivered by States and Territories is to provide equity in health care by giving access to specialised medical care regardless of geographic location. While each State and Territory have differences in the process and schedule of entitlements, the schemes are all intended to provide financial assistance (toward transport and accommodation costs) to those requiring specialised medical treatment that is not locally available².

Up until 1999, States and Territories received funding through the Commonwealth's "special revenue assisted grants" to administer and fund PATS. However, in 1999, the States and Territories moved to receive revenue from the Goods and Services Tax (GST) stream, which the States and Territories would then use to deliver PATS³. With increased demand placed on the scheme in WA, in 2008/09, some *Royalties for Regions* funding was allocated to deliver a stronger form of PATS, by giving greater subsidy rates and greater assistance for patients requiring cancer treatment⁴.

¹ Standing Committee on Community Affairs 2007. Highway to health: better access for rural, regional and remote patients.

² Standing Committee on Community Affairs 2007. Highway to health: better access for rural, regional and remote patients.

³ Standing Committee on Community Affairs 2007. Highway to health: better access for rural, regional and remote patients.

⁴ Office of Auditor General 2013. Background, <https://audit.wa.gov.au/reports-and-publications/reports/administration-of-the-patient-assisted-travel-scheme/background/>

Even while a review of PATS in WA was undertaken by the Office of the Auditor General in 2013⁵, PATS still has some notable deficiencies, which limits its effectiveness for those in need of specialised medical care. The current subsidies, the eligibility requirements and the administrative processes are out-dated and problematic.

In fact, the PNP suggests that the scheme currently contravenes the requirements identified within Clause 20 of *National Healthcare Agreement 2012* under “Better Health Services”⁶. Clause 20 outlines the obligations of the States and Territories in providing equitable access to health care, noting firstly that:

“States and Territories will provide health and emergency services through the public hospital system based on the following Medicare principles”

And secondly as a sub clause:

“Arrangements are to be in place to ensure equitable access to such services for all eligible persons regardless of their location”

As regional communities are often disadvantaged by their geographic isolation, it is incumbent on the State Government to provide equitable access to health and emergency services for these communities. However, the State Government’s capacity to meet the healthcare challenges of all regional communities in WA is restricted, which gives considerable support for delivering a strong and effective PATS to meet those healthcare gaps. As such, this inquiry into PATS - with the intended goal of transforming PATS into an efficient and effective model - is a much needed undertaking.

In accordance with the terms of reference of the inquiry into PATS, the PNP has outlined a number of critical weaknesses and areas for improvement relating to funding, eligibility, the administrative process as well as the mechanisms for managing exceptional circumstances. This submission reflects a combination of constituent concerns and the members of the PNP’s experiences with PATS.

⁵ Office of Auditor General 2013. Background, <https://audit.wa.gov.au/reports-and-publications/reports/administration-of-the-patient-assisted-travel-scheme/background/>

⁶ Council of Australian Governments, ‘National Healthcare Agreement 2012,’ page A-6.

2. ELIGIBILITY

Eligibility for PATS is determined by the location of patients to the treatment centres, and the type of care required, parameters, which at present, are restrictive and inflexible. In this section, the PNP highlights some problems with the 100 kilometre ruling firstly, and the lack of medical services covered secondly.

100 Kilometre Ruling

PATS is available to patients who are required to travel more than 100km to the nearest medical specialist, and 70km to access a specialist for cancer or dialysis treatment. The PNP acknowledges that budgetary constraints influence these guidelines, however, the rigid criteria means that many regional patients are unable to access any form of cost recovery to receive specialist medical care. By adhering to the *National Healthcare Agreement 2012*, any patient who resides in an area officially classified as “regional” WA, should in principle, be eligible for PATS. This would mean that a patient currently residing in Bindoon for instance, which is 84 kilometres from Perth, would be eligible for some cost recovery.

Furthermore, the current guidelines appear to give little consideration to patients requiring numerous medical treatments per week. Alternatively, PATS in NSW provides an additional clause giving consideration to cumulative distance, stating that: “patients travelling at least 100km each way, or at least 200km per week cumulative distance, are eligible to apply”. Similarly, PATS in Victoria provides allowances to cumulative distance, noting also that: “you need to travel 100 kilometres or more one way or you need to travel (on average) 500 kilometres per week for five or more weeks in a row”⁷.

Eligible Medical Services

The PNP suggests that the restriction in medical services offered within PATS is also problematic. PATS covers traditional medical services only, giving no support for regional patients requiring allied health services namely, speech pathology, physiotherapy, podiatry, clinical psychology, occupational therapy, audiology,

⁷ Victorian Government 2014. Victorian Patient Transport Assistance Scheme
<http://health.vic.gov.au/ruralhealth/patient-transport-assistance.htm>

pathology, and dentistry. These services can contribute significantly to the health and wellbeing of individuals, but are often scarce in regional areas.

A stroke survivor residing in a regional or remote town for instance may rely heavily on allied health professionals for their recovery program. According to the National Stroke Association, a rehabilitation program for a stroke survivor may involve *physiotherapy* to relearn skills in movement and coordination, *speech pathology* to relearn how to communicate effectively, and *occupational therapy* to relearn strategies for managing daily activities (cooking, eating, bathing and dressing etc)⁸. These services are currently not supported through PATS.

Moreover, the PNP suggests that it is also problematic that psychiatry is the only mental health service available through PATS. The Mental Health Commission suggests there are problems in addressing the needs of mental health patients solely through a mainstream clinical approach⁹. There is also a notable absence of appropriate mental health service providers in remote and rural areas¹⁰, leaving critical weaknesses in meeting the mental health problems and illnesses present within remote and rural areas. As such, the PNP strongly supports a more holistic focus on mental health care provided through PATS, giving access to psychiatrists, social workers, mental health nurses, clinical psychologists and occupational therapists.

For PATS in the Northern Territory, allied health services can be claimed when these services are required in conjunction with other specialist services, for example if surgery is necessary¹¹. Similarly, in Queensland, allied health services are claimable if they are “an essential component of services listed above (e.g.

⁸ National Stroke Association. 2014. National Stroke Association’s guide to choosing stroke rehabilitation services http://www.stroke.org/site/DocServer/Choose_Rehab.pdf?docID=1101.

⁹ Mental Health Commission 2013. Head 2 Head: Creating a mentally healthy WA. http://www.mentalhealth.wa.gov.au/Libraries/pdf_docs/Winter_2013_Head2Head_low_res.sflb.ashx

¹⁰ Mental Health Commission 2013. Head 2 Head: Creating a mentally healthy WA. http://www.mentalhealth.wa.gov.au/Libraries/pdf_docs/Winter_2013_Head2Head_low_res.sflb.ashx

¹¹ Northern Territory Government. 2014. Patient Assistance Travel Scheme (PATS) http://www.health.nt.gov.au/Hospitals/Patient_Assistance_Travel_Scheme/

physiotherapy following orthopaedic surgery, psychology assessment in preparation for psychiatric treatment)”¹².

By excluding eligibility to these allied health services, the PNP suggests such situations weaken the longevity of regional communities by forcing residents to relocate to metropolitan centres to access such services. As a result, this is suggested to contravene what constitutes “equitable access to such services for all eligible persons regardless of their location”. As such, the PNP strongly encourage the committee to explore the possibility of expanding PATS services to also include allied health professionals.

The PNP would also encourage the committee to give greater consideration to the role of escorts – who provide emotional and physical support – to all patients other than those who are undergoing cancer treatment, are frail, has a disability or under the age of 18 years.

3. SUBSIDIES

Table 1 gives an overview of the current PATS subsidies. While PATS is not intended to “cover all costs associated with travel and accommodation”, the PNP suggests that the current subsidy structure is not reflective of contemporary market conditions. In this section, we explore these deficiencies in greater detail.

¹² Queensland Government. 2014. ‘Patient Assistant Travel Scheme Schedule’.
http://access.health.qld.gov.au/hid/HealthConsumerInformation/TravelHealth/patientTravelSubsidySchemeSchedules_ap.asp

Road Travel	Air Travel	Accommodation	Exceptional Circumstances
<p>Private vehicle: 16 cents per kilometre</p> <p>Minibus/Group transport for 2 or more patients: 25 cents per kilometre</p> <p>Coach or rail: Relevant economy or other discounted fare</p> <p>Cancer and Dialysis treatment: for travel between 70 and 100 kilometres is a \$20 subsidy</p>	Economy class fare fully covered	<p>Private home accommodation: \$20 per night or \$40 per night for a patient travelling with an approved escort</p> <p>Commercial accommodation: \$60 per night or up to \$75 per night for a patient travelling with an approved escort</p>	Additional transport assistance (taxi or airport shuttle) can be available, if recommended by a doctor

TABLE 1: PATS Subsidy Schedule

Accommodation Subsidy

The Country Health Services Website, which is the central point for PATS information, provides a list of “reasonably priced accommodation providers” located near the main metropolitan hospitals in Perth. Some of these are backpackers and hostel type accommodation (such as YHA, Kangaroo Inn), which may be inappropriate for patients requiring specialist care. In addition, the ATO provides a useful reference point for what is considered reasonable compensation payable for

expenses (accommodation, meals and incidentals) accrued by employees on work related travel. For an employee travelling to Perth with a salary of \$104,870 and below, reasonable compensation for accommodation is \$233.00¹³. This is significantly different to the maximum rate of subsidy provided through PATS at \$60.00. Moreover, these subsidies are only available if you reside at least 100 km away and are required to stay overnight for reasons related to medical care, distance or the frequency of transport schedules.

Road Travel Subsidy

Similarly, the 16 cent per litre fuel and travel subsidy for travel by private car is well below the reasonable costs associated with running a motor vehicle, which leaves a significant cost differential borne by regional patients over patients living in the metropolitan area. By utilising the Australian Taxation Office's (ATO) guidelines for compensation related to a work vehicle, a more reasonable claim for a vehicle's running costs and fuel would be between 63 cents per litre for the smallest motor vehicle and 75 cents per litre for the largest motor vehicle¹⁴. These ATO rates give greater consideration to the high cost of fuel, especially so for regional centres as noted in Fuelwatch's regional fuel summary presented in Table two. Given the costs associated with travel from regional centres can be significant, the PNP suggests a more reasonable subsidy should be considered.

¹³ Australian Taxation Office 2012. Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2012-13 income year?.

<http://law.ato.gov.au/atolaw/view.htm?DocID=TXD/TD201217/NAT/ATO/00001&PiT=99991231235958>

¹⁴ Australian Taxation Office, 'Individual Tax Return Instructions 2012: 1 July 2011 – 30 June 2012' p 26

REGION	PRICE PER LITRE
Gascoyne	176.0
Goldfields-Esperance	160.3
Great Southern	158.0
Kimberley	186.0
Mid-West	162.4
Peel	159.6
Pilbara	168.2
South-West	156.6
Wheatbelt	158.3

Table two: FuelWatch Fuel Summary as at 1 May 2014

Air Fare Subsidy

An economy airfare may be covered for patients living in the Pilbara and Kimberley and other remote areas, if the journey requires more than 16 hours driving one way or is subject to excessive connection delays and prolonged stops. Alternatively, patients travelling for cancer treatment with a journey time exceeding 4 hours are eligible. The PNP suggest that this criteria needs to be reviewed. The Victorian scheme grants air travel for patients whose "journey exceeds 350kms one way and a commercial flight is used". This compares considerably to Western Australia's 1600km criteria (estimated based on 16 hour at 100 km per hour).

As such, despite Western Australia's vastness, few patients would be eligible for air travel. The cost of regional air travel may be prohibitive for some patients, while the travel journey may not be achievable for those suffering ill health. The PATS guidelines do state there may be "exceptional circumstances", but the health services manager will only grant these if air travel is essential to the patient's medical condition. The PNP recommends the 16 hour criteria be removed instead using a combination of reasonable distance in kms (not hours) and medical reasons to assess air travel claims.

4. THE ADMINISTRATION PROCESS

Aspects of the administration process for PATS are considered inefficient and ineffective. These will be discussed in greater detail below.

Paper based claim system

PATS currently operates using a paper based claim system. Patient forms must be submitted to the PATS Clerk during office hours (Monday to Friday; 9am-5pm). As medical emergencies also occur outside these hours, an electronic submission of PATS for after hour submission is essential. An electronic applications system would support the new electronic database system introduced in 2012 for the processing of payments and collating data. The long term efficiency gains and improvement in patient access to the PATS system would outweigh the cost outlay for implementing the electronic system.

Retrospective claims

At present, patients with medical emergencies that occur outside the office hours of the PATS clerk are not able to claim retrospectively. In these instances, the patient is required to bear the full cost of this trip to access specialist medical care. Therefore, the system is designed almost exclusively for planned medical appointments with no flexibility for emergency situations.

Complexity

The administration of PATS in WA is wrought with considerable complexity. Anecdotal accounts indicate that some medical practitioners are even charging higher consultation fees to process PATS paperwork. The PATS subsidy does not, in some instances, even cover the cost of these additional charges.

Conflicts of Interest

The Auditor General's report in July 2013 indicated that the system could permit inappropriate conduct. For example, the report indicated that often in smaller regional areas, the same person received, assessed, approved, made travel arrangements and payments to patients. According to the report, this process raised the risk of "ineligible or incorrect payments" as well as exposed the system to fraudulent behaviour when a staff or family member applied for PATS¹⁵. In the cases where there is only one assessment officer, the desire for a fair and reasonable assessment could also be undermined by an individual's local prejudices against for instance, race, friendship groups, professions and perceptions of financial capacity etc. The PNP therefore encourages the Committee to assess alternative systems and processes that ensure fair and reasonable assessment processes.

Exceptional Circumstances

Eligibility for PATS is particularly rigid, with no provisions provided for "exceptional circumstances" such as in the case of after-hours claims, claims that involves multiple visits to a treatment centre in a week, or claims for allied health services. There are some exceptions made for air travel, when there is a valid medical reason, and when alternative transport is required (such as taxi from the airport). However, there are no standard guidelines surrounding the decision making process, as such, decisions about "exceptional circumstances" vary considerably from region to region based on the consideration of the local Health Services Manager.

¹⁵ Office of Auditor General 2013. Key findings. <https://audit.wa.gov.au/reports-and-publications/reports/administration-of-the-patient-assisted-travel-scheme/key-findings/>

Hon Martin Aldridge MLC raised two circumstances during debate in the Legislative Council on 21 November 2013, demonstrating the ineffectiveness of PATS to provide for “exceptional circumstances”¹⁶. In the first exceptional case, Hon Martin Aldridge indicated that:

I will talk specifically about the case in my electorate of Clare and Terry Priddle who reside in Bindoon, just north of Perth. Clare and Terry are the primary carers of three children, all of whom have autism, and two of whom have the neurodegenerative disorder leukodystrophy. Managing the health needs of their three children is a full-time commitment for both of them. Accessing specialist medical care in Perth, often at Princess Margaret Hospital for Children as well as through other specialist medical providers, is usually a weekly affair, if not more frequent.

The official Main Roads distance between Bindoon and Perth is 84 kilometres, some 16 kilometres short of meeting the eligibility criteria for PATS. On the surface of this, most people suffering from a minor ailment, such as a broken limb or something not ongoing, and requiring a single or perhaps a couple of trips to Perth to see a specialist would be able to absorb the financial challenge to do that. However, there are exceptional cases, such as Clare and Terry Priddle. I do not think anybody could argue that the medical needs of their family are not placing a financial burden on them, because the medical services they require are not available locally and they have to travel to access them.

Some might ask why the Priddle family does not move closer to where they can access the specialist medical care they need. Quite often families make decisions around where they live based on the services provided; however, the Priddle family has some very good reasons for not doing that. The Priddle’s have enormous local family support in the greater Chittering area, and given the circumstances of raising three children with different medical requirements, they heavily rely upon that.

Another thing available to the family in that area is community housing. A partnership between the Shire of Chittering and the Department of Housing will provide appropriate housing for the family. I understand that within 12 months they will have a specially built house for the disabled available to them because as the

¹⁶ Hon Martin Aldridge MLC, ‘Patient Assisted Travel Scheme’ Parliament of Western Australia, p 6373b – 6380a.

condition of their two daughters further degenerates, it is likely that both of them will be wheelchair-bound in the near future.

The other thing they have locally is fantastic school support. The family is supported by the Disability Services Commission and the local area coordinator, and their advice to the family is that given the level of support and understanding provided to them from their local school, there would be a real risk in relocating the family to another town or location where they might not be provided with that same level of support. This is a good example of PATS perhaps not providing that equity of access to specialist medical care, and of exceptional circumstances like this that need to be considered when administering the patient assisted travel scheme.

In the second exceptional case, Hon Martin Aldridge MLC highlighted that:

Another example of this is from a constituent of mine who travelled from Narrogin to Perth to seek specialist medical treatment. He put in his claim and it was rejected on the grounds that the specialist service he sought was available in Bunbury, some eight kilometres closer than Perth. In the context of a travelling distance of some 190 kilometres, that begs the question whether the system needs to be more flexible. The system failed to recognise that perhaps this patient would have been better supported in Perth, where he could have had a greater choice of medical specialists, and perhaps family or friends to support him in terms of overnight accommodation. Perhaps he could have linked other business and activities with his visit to Perth. Perhaps in that case he may have been remunerated to the extent that he would have been able to access the service that was eight kilometres closer.

A strong PATS system would identify these real case examples as "exceptional circumstances". As such, the PNP recommends that the Committee investigate how extensions to the eligibility criteria for PATS can be made to provide for exceptional circumstances and achieve some consistency in decision making across the State.

5. OTHER CONSIDERATIONS

The Up-front payment of subsidy

The PNP recommends that the Committee investigate the potential for PATS to provide up-front PATS payment options for patients with financial difficulty. Some patients may find it difficult to pay for the combined travel, accommodation and medical costs, and risk not seeking specialised medical treatment.

Trade-offs in delivering a stronger PATS

The PNP supports the comments made by Hon Adele Farina MLC that “the best model is to provide the health service locally¹⁷”. It should be emphasised that delivering a stronger PATS should not come as a trade-off to the continued agenda to renew and develop new health care facilities in regional areas by the Department of Health and the WA Country Health Service. Delivering a stronger and more effective PATS should be viewed as one part of the broader model to improve healthcare in regional WA.

Appeals Process

The current PATS appeal process provides an applicant with the opportunity to contest the PATS determination with the PATS Regional Coordinator in the first instance. If the determination is still contested, the applicant may contact the Regional Director who is responsible for making the final decision about PATS applications¹⁸.

This appeal process is very subjective and the applicant is not provided with any guidelines to assist in determining whether to appeal a decision. The lack of transparency also raises concerns about the potential for decisions to vary from region to region based on the personal views of individual PATS Regional Coordinators. The PNP suggests that a transparent appeals process should be implemented to ensure that consistency across the State.

¹⁷ Hon Adele Farina MLC, ‘Patient Assisted Travel Scheme’ Parliament of Western Australia, p 6373b – 6380a.

¹⁸ Government of Western Australia, ‘Application Process,’ Department of Health, at 27 March 2014, <http://www.wacountry.health.wa.gov.au/index.php?id=629#c1130>

6. CONCLUSION

The inquiry into the PATS system provides the Legislative Council's Public Administration Committee with the opportunity to meaningfully transform this service provision for regional communities. The PNP is very supportive of this inquiry and calls on the Committee to carefully consider the issues outlined in this submission to ensure that more equitable access to health services is provided to regional patients. It is imperative that the criteria and standards of PATS in WA is lifted so that Western Australia – in line with the *National Healthcare Agreement 2012* – meet their obligations in providing “equitable access” to health and emergency services through the public hospital system, irrespective of geographical location¹⁹.

¹⁹ Council of Australian Governments, 'National Healthcare Agreement 2012,' page A-6.