

Current Australian Private Hospital Sector Update

The “C” word An Australian Journey

How it started

Key Dates



Mid-January 2020 - Utah



NZPSHA Seminar



10 March – APHA National Conference Cancelled



12 March – Richard Whitney opens NZPSHA Seminar

*“Welcome to the last
In-person health conference in the
world this year”*



13 March – First meeting of new
“National Cabinet”

Restrictions on gatherings of
more than 500 people



- 24 March – overseas travel banned
- 25 March – National Cabinet agrees to suspend non-urgent elective surgery
- 29 March – PM’s adviser “Hunt will not get a deal for private hospitals”



30 March – Private Hospital Viability Guarantee announced



Private Hospital Viability Guarantee

- Australian Govt underwrites viability of all private hospitals and day hospitals
- Hospitals must retain full workforce
- Infrastructure, equipment, PPE & workforce to be made available for COVID response
- Hospitals agree to integrate with State health systems
- No access to “jobkeeper”

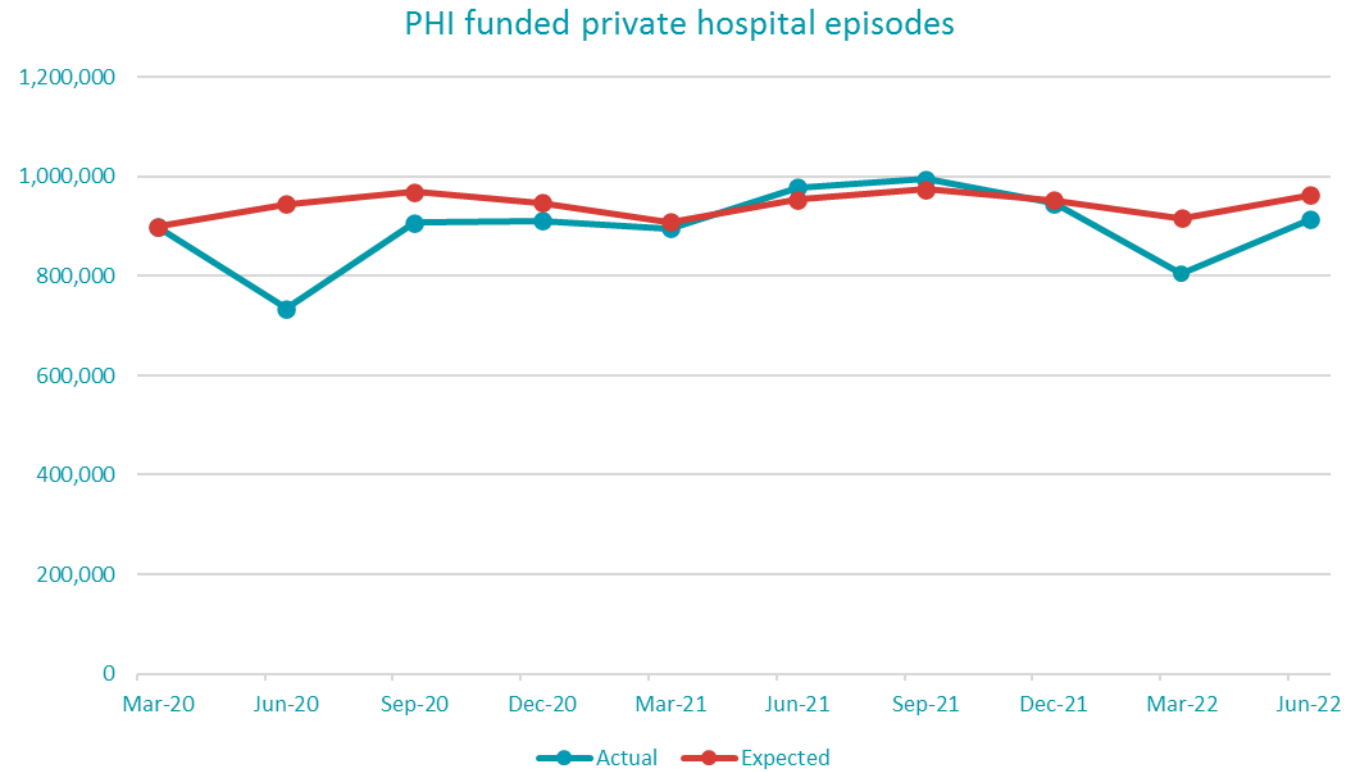


Private Hospital Viability Guarantee

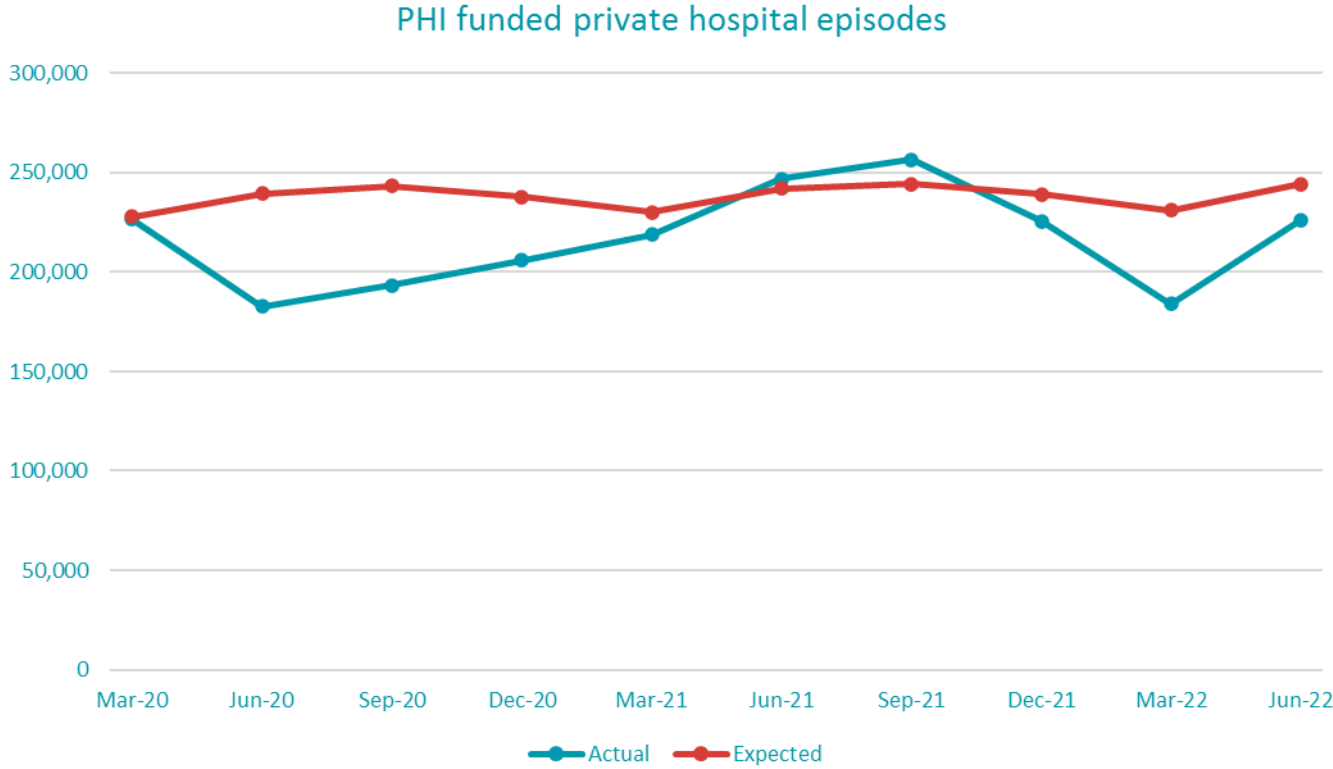
- Covered Salaries, consumables, insurance, utilities, rates, contract services
- Debt/interest and property rent not included
- Paid by Commonwealth to States
- States to establish agreements with hospitals
- Viability payments offset by any other revenue



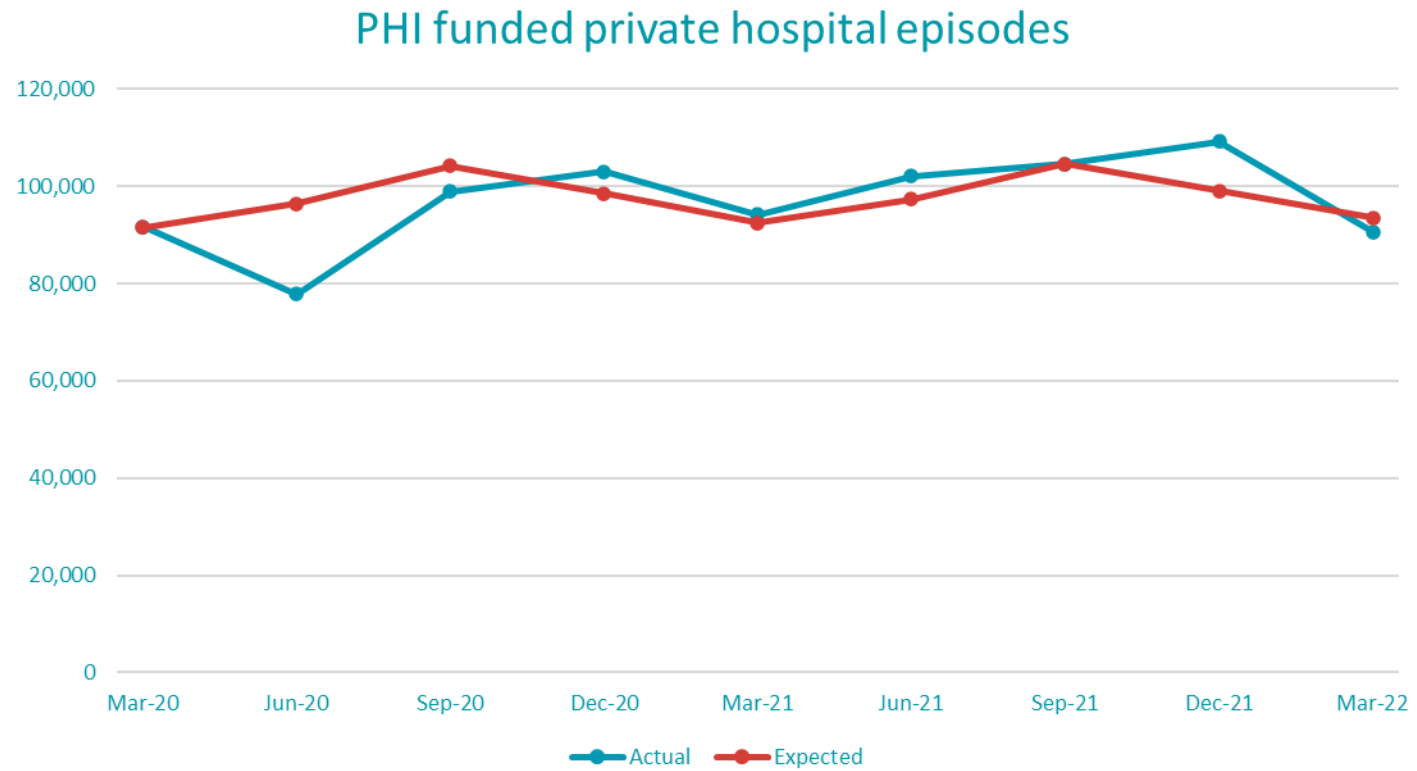
The impact of COVID-19 in Australia



The impact of COVID-19 in Victoria



The impact of COVID-19 in Western Australia



The COVID Aftermath

- Revenue ↓ Costs ↑
- Health insurance profit \$2 billion
- State govts want private hospitals to help with public surgical waiting lists
- Requires new financial arrangements



3 Biggest challenges

1 Workforce

2 Workforce

3 Workforce



Workforce Shortages

- 8000 vacant nursing positions
- Acute shortages of perioperative, surgical, critical care, anaesthetic and mental health nurses
- Overseas trained nurses left at start of pandemic and have not returned
- Current workforce “burnt out” senior nurses retiring



Workforce Shortages

- Australia no longer seen as an attractive destination
- No pathway to permanent residency/citizenship for skilled migrants
- Other countries (UK, Canada, France) are winning the race for skilled health workers



Health insurer vertical integration

- Medibank Private buying into private hospitals to push “short stay orthopaedic surgery” model
- Larger funds offering “at home” services



Other issues

- New Health Minister
- Prostheses List Reforms
- Default Benefits Review



NZPSHA Seminar

