

08MHE/1672

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Dear Dr Holmes and Dr Rischbieth

Thank you for your letter of 10 June 2008 about *South Australia's Country Health Care Plan* (the Plan).

I appreciate you seeking greater clarification on the Plan and want to reassure your members that I am committed to working with country doctors to ensure we get the best possible health outcomes for all country residents.

*South Australia's Country Health Care Plan* is a blueprint for improving and strengthening the country health system over the next ten years. The 66 country health sites across rural South Australia will be integrated into a single system with four key strategic Country General Hospitals at Berri, Mount Gambier, Whyalla and Port Lincoln.

These hospitals will be complemented by community hospitals in the larger regional towns and locations of Barossa, Clare, Ceduna, Clare, Kangaroo Island, Millicent, Murray Bridge, Naracoorte, Port Augusta, Port Pirie, Roxby Downs and Wallaroo.

In other smaller towns, communities will be serviced by GP Plus Emergency Hospitals which will provide emergency responses, and other services in line with the community needs including expanded primary health care services, aged care support, observation beds, and respite and palliative care beds.

For hospitals located in the peri-urban areas like the Northern Adelaide Plains, the Adelaide Hills and the Fleurieu Peninsula, the delivery of improved health services to these communities will be planned in conjunction with the expanded services in the metropolitan areas.

This is the first time a coordinated, planned approach has been adopted country-wide. We believe that coordinating health care across numerous sites will offer a greater range of services to country residents. We are also committed to repatriating services to the country from the city. Currently, on any given day there are up to 550 country people receiving treatment in metropolitan hospitals. We want to ensure that as many people as possible receive treatment closer to home and avoid the need for patients and their support networks to travel to Adelaide.

An important feature of the Plan is the expansion of services such as rehabilitation, palliative care and dialysis and the repatriation of surgical activity currently performed in metropolitan facilities.

We know there are significant challenges to delivering safe, high quality and sustainable health care services in the country, including:

- the impact of the ageing population
- the predicted health and medical workforce shortages and
- the increase in chronic disease.

We know that the health outcomes for country people compared to city people are not as good. For example, the number of years of life lost prematurely per 1000 people is 64 years in the city compared with 71 years in the country. Diabetes affects one in 11 people in country compared to one in 15 in the city and the obesity rate is nearly 6 per cent higher in the country at 25 per cent compared to 19 per cent in the city. Smoking rates are 6 per cent higher in the country than the city and the proportion of women who smoke during pregnancy is also higher in country regions.

We have analysed the data, looked at the population projections and burden of disease and health profiles across country. This has informed our planning and provides the key strategies including:

- supporting country residents to take the best care of their health
- providing more services in the country so fewer people need to travel to Adelaide for health care
- ensuring primary health care services are locally accessible
- optimising the use of the health workforce to ensure a balance between primary and specialised services
- consolidating and coordinating specialised services to ensure sustainability and high quality care; and
- using advanced communication and information technologies.

As you would be aware, there are up to 2838 beds available in country South Australia including 1463 acute beds. On any given day only around 677 or 46 per cent of these are occupied. During 2006 – 2007

- 6 health units or 9 per cent had a daily acute occupancy rate of less than 1
- 29 health units or 41 per cent had a daily acute occupancy rate of between 1 and 6
- 11 health units or 17 per cent had a daily occupancy rate between 6 and 10 and
- 20 health units or 33 per cent with a daily acute bed occupancy rate of more than 10.

As workforce shortages take effect, clinical work practices change and expectations of care increase it is becoming difficult to sustain under-utilised acute health services. We believe the Plan provides a valuable framework for determining how best to ensure country people receive the health care services they need.

Importantly, communities will still have the resources to deal with emergencies at all hospitals and 85 per cent of residents will be within 60 minutes of improved hospital services and 96 per cent within 90 minutes.

I want to reassure country doctors that patients will still be able to receive assessment, initial treatment and observation at any GP Plus Emergency Hospital. Observation beds will vary according to local health needs and will range from acute beds for minor diagnostic and treatment support, through to short term holding beds to support primary care assessment, observation and stabilization prior to transfer to a more appropriate inpatient health service or return home.

The Rann Government is absolutely committed to providing health services for country South Australians and is investing heavily in country health for the future.

The budget for 2008 – 2009 provides a total operating expenditure for country health of \$591 million. This equates to an extra \$210 million or 55 per cent more than 2001 – 2002. In 2008-2009 we are also providing:

- \$58.6 million for capital works in country including \$41 million for redevelopment of Berri Hospital and \$15 million at the Whyalla Hospital, as well as \$2.6 million to replace Breast Screen SA country mobile units.
- This builds on the \$48 million committed last year for capital works at Ceduna and Port Pirie.

Importantly there will be no closures of country hospitals, with the exception of the Barossa Hospital where the community has proposed combining the Tanunda and Angaston Hospitals. As part of the Plan, SA Health will be developing a business case for this proposal.

The consultation period for the Plan has now been extended until 30 July 2008. Consultation will occur across country areas to refine the service profiles for each of the General, Community and GP Plus Emergency Hospitals, consistent with the framework provided in the Plan and local community needs. Clinician engagement is an essential component in the next phase of this planning and Country Health SA will ensure that this occurs.

It is expected that 'subregional plans' will detail the service profile for each facility and reflect local requirements including timeframes for the changes to occur. This is similar to the process that has occurred across the metropolitan facilities over the past 12 months.

To assist you in developing feedback the following responses to your questions are provided:

1. A number of documents contributed to the decision making regarding the service profiles outlined in the Plan including the Department of Health Clinical Service Delineation document, specific advice from Clinical Networks, information from local planning processes and detailed analysis of existing and projected utilisation activity data, population projections, burden of disease and health profile information relating to country residents. I am happy to make the information contained in the documents available to you.
2. The service levels described in the Plan were determined using the documentation and data outlined in (1) above. How these will be translated to the detailed service profiles for each facility will be determined based on site by site analysis. We want to work constructively with your members on this work in the months ahead.
3. It is not clear what you mean by this question however, increases in funding for country health services have been provided for a number of areas including elective surgery and growth in activity. Spending on country health services has consistently increased. By allocating existing funding in a more focused way and transferring funds from city hospitals treating country people, to the country hospitals, will increase the range of services that can be provided.
4. Staffing ratios for inpatient activity and associated workforce arrangements in the delivery of community based services reflect the current Enterprise Agreements.
5. With the transfer in country facilities of activity currently undertaken in metropolitan facilities, it is expected that the overall transport costs should diminish over time. Development of service profiles for each facility will allow a more detailed analysis to be undertaken. We are also reforming the PATS arrangements and I draw your attention to the Yorke Peninsula Health Bus trial.
6. Please find attached details of the consultation process that has been undertaken in the development of the Plan.
7. No

8. There is no intention to remove the capacity to service emergency activity in a timely fashion and the Plan describes a clear intention to increase primary health care services to local communities.
9. SA Health's submission to the National Health and Hospitals Reform Commission identified that reform in South Australia aims to increase the capacity of the system to manage the challenges of workforce shortages at a time of growing demand by improving the system's capacity to manage chronic disease, the provision of support to GPs in the delivery of expanded primary health care services and a range of improvements to clinical practice informed by the work of the Clinical Networks.
10. & 11 Reforms nationally and internationally have been based on evidence in relation to the improved outcomes which can be expected through focussing efforts on health promotion, addressing risk factors and developing screening and early intervention in management of chronic disease. Implementing these change in country regions and improving access to a range of acute services using an integrated model of care, will improve health outcomes for country people. My challenge to the opponents of the Plan is to explain how the status quo which has not delivered the best health outcomes for country people (see above) can be defended. To maintain under utilised resources in very small communities would be to deny better access to health care for the majority of country residents.

I have asked Dr David Panter, Executive Director, Statewide Service Strategy and Mr George Beltchev, Chief Executive, Country Health SA to meet with you in order to discuss these issues further and provide any additional clarification you require. I trust this meeting will assist you in this regard.

I would also be happy to meet with you again or provide further detailed briefings from SA Health staff.

I look forward to receiving your feedback in relation to the best mechanisms to progress the next phase of planning, to provide safe and sustainable health care services for all country residents.

Yours sincerely

**John Hill**  
**MINISTER FOR HEALTH**

Date: 18/6/08