

MEDIA RELEASE

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HEALTH FUND CONTRACTS MUST NOT HARM QUALITY

“Aggressive health fund contract negotiations are threatening the development across the health sector of appropriate measures and incentives to improve hospital safety,” warns Suzanne Greenwood, CEO of Catholic Health Australia.

Medibank Private’s self-proclaimed action to ‘flex its muscles’ in negotiations with private hospitals by introducing its own list of 165 ‘highly preventable’ adverse events risks derailing the work of the Australian Commission on Safety & Quality in Health Care (ACSQHC).

Calvary Health Care met with Medibank Private yesterday over the mediation table and has advised that talks are continuing as part of the mediation process - with further discussions being arranged.

“It is concerning that Medibank Private could not resolve its position to the satisfaction of both parties. There is broad industry agreement for the work currently being undertaken by ACSQHC which Medibank Private should be on-board with,” recommended Mrs Greenwood.

Calvary Health Care believes the ongoing stability of the health care sector would potentially be impacted if the broad system level improvements achieved to date are eroded as a consequence of the commercialization of safety and quality standards. The health care provider argues that robustly tested and validated industry agreed quality and safety measures should be universally and uniformly adopted as part of funding arrangements in the same way that requirements for accreditation have been.

Catholic Health Australia strongly supports this view.

“This would provide assurances of quality and safety to consumers, health service funders and policymakers. It would also reduce the risk that quality differentials would be introduced through ‘trade-off’ arrangements as commercial agreements are negotiated on a provider by provider basis.”

CHA remains concerned that the list of hospital acquired adverse events used as the basis for the list of ‘highly preventable’ adverse events proposed by Medibank Private is not sufficiently tested for reliability and robustness to be used at this point as the basis for driving changes to hospital funding agreements – public or private.

Robustly tested and validated industry agreed quality and safety measures need to be universally and uniformly adopted as part of funding arrangements in the same way that requirements for accreditation have been. This requires trust and dialogue between hospitals, doctors, funders, regulators and consumers.

The headlong rush by Medibank Private to impose penalties for events in hospitals that have no relation to the standard of care provided by that hospital threatens to derail these discussions and re-create a blame culture where data boxes on administrative forms will be ticked but real patient safety and quality may come second.

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CHA represents the largest single grouping of non-government health, aged and community care services in Australia.