

## Appendix 1.5 Excerpt from the Queensland Health Systems Review Interim Report, July 2005

### Executive Summary

#### Chapter 1: Describes our public health system and Queensland Health's role and services as part of that system

- Australia's health system is a complex mixture of public and private sector health service providers and a range of funding and regulatory mechanisms that are reflected in Queensland's health system.
- There would be considerable benefit if a far higher degree of integration between public and private health services throughout Queensland could be achieved, including much better linkages between general practice and public hospitals, between public and private hospitals, and between the public sector and the non-government sector. The present fragmentation in the system makes it difficult for consumers to navigate, creates disparities in pay rates for public and private doctors and compromises the best possible health outcomes.
- The impact of current funding arrangements in producing conflicting incentives is most apparent in funding for the public and private hospital sectors. For example, an efficient private hospital welcomes increased patient loads within capacity constraints, as additional patients bring an additional source of revenue to the hospital. Whereas under Queensland's current funding arrangements, an efficient public hospital with a capped budget when confronting additional workloads does not attract additions to revenue with the real prospect of escalating costs and exceeding budget allocations. This latter feature may lead to delays and queuing and/or limitation and cancellations of certain kinds of procedures and services.
- Although there have been wide-ranging changes to Commonwealth funding arrangements over the years, successive Queensland governments have remained highly committed to the public health system and in particular providing universal access to hospital services throughout the State at no charge. Appendix 5 summarises this history.
- Queensland Health provides services across the continuum of care including health promotion and illness prevention activities, primary and community health care, secondary and tertiary hospital care and aged care. Queensland Health also has significant regulatory responsibilities including legislation involving public health services, the licensing of private hospitals and the registration of medical, nursing and health practitioners.
- Queensland Health is one of the largest organisations operating in Queensland, with some 53,000 staff, 178 public hospitals and 277 primary and community health centres. In 2005-06, Queensland Health's recurrent budget is \$5.4 billion with a capital budget of \$549 million. The recurrent budget has grown by an average of 7 percent per year since 1996-97 which broadly reflects the escalation of health costs and population growth over the same period. Some 65 percent of the recurrent

budget is allocated to acute hospitals, 23 percent is allocated to preventive, primary and mental health and community care with the remainder covering clinical and statewide services such as pathology services, regulatory functions and corporate functions.

- Public hospital admissions in the State have grown by 4.7 percent since 2000-01, with some 720,000 admissions annually. People aged 65 years and over account for some 29 percent of total public hospital admissions and some estimated 43 percent of the public hospital patient days. The ageing population therefore creates an enormous future challenge for our acute hospital sector. Queensland Health has active public health services, and it is in areas such as prevention of chronic disease and promoting health and well-being where significant potential for reducing our dependence on acute hospital activity lies.
- Queensland Health employs some 53,000 staff comprising 43,782 full time equivalents (FTEs). In the last 10 years major trends in Queensland Health's workforce include:
  - the proportion of clinical (60 percent) and non clinical (40 percent) staff has remained relatively stable
  - managerial and clerical staff have grown from 13 percent to 19 percent of the total Queensland Health workforce noting that this category of staff includes medical records staff, ward clerks, clinical coders, information technology staff, project officers and administrative staff
  - medical staff have increased from 6 percent to 8 percent of all staff
  - nursing staff have reduced from 44 percent to 39 percent of staff
  - Visiting Medical Officers (FTEs) have decreased by 41 percent.
- Queensland is experiencing a clinical workforce shortage across the board, including medical practitioners, dentists, allied health professionals and nursing staff.
- Queensland Health has employed overseas trained medical practitioners for many years. Some of these professionals are Australian registered having satisfied fully the requirements of their respective Colleges. However, in recent years because of increasing shortages of doctors worldwide, Queensland Health has recruited 737 doctors with provisional area of need registration, comprising approximately 20 percent of the total public hospital medical workforce.
- Queensland Health is working towards implementing a more comprehensive statewide approach to the recruitment of OTDs, and this Review has further work planned to assess any current workforce concerns.

## **Chapter 2: Assesses the health status of Queenslanders and explores how well Queensland Health is performing relevant to other jurisdictions**

- The State's public health service, embracing the full range of services and activities from primary and community health care through to secondary acute hospitals and tertiary hospitals, is in many respects delivering good standards of care and achieving reasonable outcomes. There is however scope for improvement.
- In respect to health status, the states and territories have an annual comparative publication on a number of key health status indicators for their communities.

- Queensland's strengths are in the following areas:
  - Less overdose deaths from illicit drugs, lower breast cancer deaths, and higher immunisation rates.
- Queensland has performed to the Australian average on:
  - Infant and perinatal deaths, deaths due to diabetes, most cancers, motor vehicle accidents and "all cause" death rates.
- Queensland is performing second worst or worst on the following:
  - Life expectancy at birth for males, male survival to 50 years, death due to heart disease, stroke, skin cancer and suicide, smoking and high risk drinking for males, overweight and obesity rates for males and females.
- These results, together with other Chapter 2 conclusions reinforce the continued need to invest in health promotion and prevention activities targeting major risk factors where these strategies have the potential to reduce over half of the estimated 6,300 preventable deaths from these causes in Queensland each year. These strategies are not solely the responsibility of Queensland Health but require partnerships across government and non-government organisations.
- Primary and acute health services have the potential to account for the other half. Queensland currently spends 66 percent less per capita on community health and 23 percent less per capita on public health services compared to the Australian average expenditure. As far as can be ascertained, Queensland has been a lower cost provider of public health services than most of the other states for many years.
- Overall, our public hospital expenditure is some 20 percent or \$183 less per person than the Australian average. Some of this difference can be attributed to the following:
  - 7 percent fewer admissions to public hospitals per capita including 4 percent lower public patient admissions and 3 percent lower private patient admissions treated per capita.
  - Relatively lower salary structures for public hospital staff (5.6 percent lower than the national average noting Queensland's average weekly earnings are 6 to 7 percent lower on average than national weekly earnings)
  - Relatively lower numbers of staff per capita with 11 percent less than the national average
  - 11 percent more efficient than the national average in weighted hospital separations (an indicator which enables different hospital procedures to be compared equivalently).
- Apart from these factors, there are broader influences which also impact on the level of expenditure on hospital services including the health profile of the population, access to other health services including private hospital services and primary care services, and doctor and patient preferences about the type of care required. These issues are being further analysed but it does seem that at least some of Queensland's greater efficiency and relatively lower expenditure can be attributed to lower staff numbers dealing with equivalent workloads compared to the national average.
- Queensland Health has recently undertaken a review of its acute hospital services and prioritised urgently needed clinical resources. Based on the district visits there are

clear and apparent shortages in particular disciplines reported especially for hospitals in major growth corridors. The tertiary referral centres have reported higher than usual transfers of patients from other centres. It would be prudent for Queensland Health to consider addressing the most pressing priorities identified in the short term. This would provide stop gap relief pending final report recommendations which are expected to include initiatives to address patient flow process redesign in acute hospitals among other things.

- Queensland, like the rest of Australia, is only just starting to implement systems which will provide continuous assessment of safety and quality in acute hospitals. Specific issues at Bundaberg are being addressed by the Commission of Inquiry. Queensland Health has established a number of clinical collaboratives involving the departmental personnel, medical colleges and senior specialists to advance quality and safety initiatives. The cardiac collaborative is one such example. Another is medication safety where Queensland is providing national leadership.

### **Chapter 3: Rural, regional and remote issues, Indigenous communities and community/patient advocates**

- One of the highest areas of need in the State relates to Indigenous health issues, where Aboriginal and Torres Strait Island people have life expectancy rates some 20 years less than the community average. Queensland Health has been directing increased resources to this need, but much more needs to be done. The Review is to address this issue in further detail.
- Queensland is a large decentralised state which faces particular challenges in providing health care to people living in rural and remote settings where there are access and service limitations. The Review is considering a broad range of initiatives including more effective transport arrangements, allowances and incentives to build clinical capability in rural settings, partnerships with the private (hospital and general practice), non-government and university sectors and the Commonwealth government and stronger links between tertiary centres and rural hospitals, to better address these issues.
- The report highlights patient concerns which generally relate to delays in accessing service, a concern that care is not sufficiently integrated and managed, and where because of work pressures and part time staffing arrangements it is difficult to develop any relationship with carers who are constantly changing, or simply too busy to spend time with patients. Issues surrounding waiting lists for elective surgery and the referral waiting times to see a specialist are frequently raised as concerns. The Review is focussing on patient concerns in addressing its terms of reference.

### **Chapter 4: Administrative systems**

#### **District and corporate organisational structures and layers of decision making**

- Queensland Health is a centrally controlled multi layered organisation where many decisions are escalated to levels where further added value is not evident. Decision making, especially in respect to patient care and priorities, should be made as close as possible to the patient interface with the active involvement of clinicians.

- The Queensland Health structure works imperfectly as the 37 districts are not sufficiently integrated to provide a genuine statewide health service. However, there is value in properly informed local communities having meaningful influence over the standard of care and scope of their local health services.
- Research to date indicates that a health system can viably and sustainably support only a limited number of large (1 million people approximately) health service delivery aggregates based around critical clinical capability and referral patterns. It would be prudent to devolve most service decisions to these aggregates and the smaller health services within them.
- Some services, for reasons of efficient statewide delivery may need to be drawn from a central location, but not necessarily always from Brisbane.

### **Corporate planning and budgeting systems**

- There is a need to strike an appropriate balance between meeting acute care priorities and redirecting the health system by investment in prevention, early intervention and changing models of care to meet the future challenges posed by the increasing prevalence of chronic disease and an ageing population. This is a real dilemma for policy makers and practitioners.
- Improving service planning generally across Queensland Health has been identified as a key challenge. Including clinicians and the community in a more systematic approach to planning at a local, regional and statewide level, and improving the links with other health service providers including general practice, private health care providers and non-government organisations are all worthy objectives.
- Over the last ten years, Queensland Health has moved from an organisation which routinely recorded deficits to one which now operates within its budget. While Queensland Health does perform exceptionally well in respect to managing budget, there are signs throughout the State of a dysfunctional downside of this budgeting rigour, in that financial considerations and in particular cost curtailment are seen to be driving decisions at the expense in some instances of clinical service and patient care.
- The need to ensure budget allocation within Queensland Health is more responsive to population need, including high population growth and geographic locations was consistently raised as an issue. Staff were concerned that there appeared in some cases to be an inequitable allocation of resources across districts and a more transparent means of allocating funding internally is required.
- In all health systems where there are limited resources and unlimited demand for services, rationing and waiting lists will be inevitable. This is a challenge recognised by all public health systems nationally and internationally.
- Clinicians and administrators expressed concern that the community expectations of what Queensland Health should provide were unrealistic within the resources available and that Queensland Health's scope of services is not clearly defined. These pressures impact directly on patients and staff on a daily basis. Staff expressed a need for Queensland Health to provide more open and public information about the services which can reasonably be provided, including implications for quality and

safety, to allow the Government and community to better understand and consider expectations and service options.

### **Cost effectiveness of services compared to relevant jurisdictions**

- Overall, Queensland Health is a cost efficient provider of acute hospital services and on average is comparable to other Australian states in the clinical outcomes it achieves. There is limited comparable information available nationally to compare the cost effectiveness of community health and public health.
- Staff generally reported the health system as being under significant pressure, and with insufficient resources to meet increasing demand. However, many staff identified opportunities for improvement of current health service delivery, including clinical and service improvement, administrative improvement and better integration with the other health sectors to improve the cost effectiveness of service delivery.

### **Organisation and delivery of clinical support services**

- Pathology services are quality assured, generally well regarded and the internal fee for service arrangements are considered to work reasonably well. Similar models and/or outsourced opportunities will be explored for pharmacy and radiology. All of these services face staff supply shortages.
- The Review noted the lack of administrative support staff for clinical leaders and managers in front line services. This issue could be addressed in the first instance by streamlining some of the administrative requirements of clinicians.

### **Clinical governance**

- Risk management, quality, safety and clinical audit are addressed as clinical governance issues in this report.
- Queensland Health has experienced three phases of development effort to enhance clinical governance since the early 1990s. The first two phases did not deliver the expected systemic approach or improvement. The revised strategic plan for quality and safety for 2005 contains elements of the comprehensive statewide approach necessary.
- There are signs that the initial work of the clinical collaboratives show the most likelihood of success. This principle being a clinician led approach in a blame free environment where error provides a learning opportunity and continuing improvement.
- These systems are in their very early stage of development in Queensland and nationally. The continued joint work of the Medical Colleges and Queensland Health will be essential to progress clinical safety and quality initiatives. Further work is now necessary to assess appropriate governance arrangements such as whether accountability to the Safety and Quality Board should be internal or external.
- Queensland Health's current complaints management system is not serving community, patient needs, staff needs, nor informing Queensland Health adequately about concerns. Revised arrangements are being explored.

## Chapter 5: Clinical workforce management systems

- Queensland Health has a dedicated and professional workforce. District visits confirmed through wide ranging discussion and observation of elements of work practice across the occupations, that staff are committed to delivering high standards of services for those in their care.
- The public health system in Queensland depends not only upon permanent public sector employees, but a broad range of staff from the private and non-government sectors as well, who also contribute significantly to the delivery of public health services throughout the State.
- Staff at forum discussions expressed feelings of concern, frustration and anger about resource constraints. This was often directed towards managers, other clinical groups or Corporate Office (synonymous with Queensland Health).
- Many staff within districts visited by the Review Team concede that in pressured working environments, risks to patient safety do increase despite the high standard of professional care provided.
- A significant number of districts visited reported extremely high work loads associated with increasing patient demand which is creating very real pressures for both full and part time personnel working within Queensland Health, especially in larger metropolitan and regional hospitals and health services.
- The Review heard numerous reports of clinicians working in Queensland Health who feel undervalued and marginalised from a system which does not allow them sufficient time to undertake teaching and research, where they face ever increasing patient loads, where their skills are not appreciated, where junior staff feel unsupported and where they have limited ability to influence the way the health system is run.
- While Queensland Health has established workforce management systems, the systems are not performing effectively and in some cases there are major gaps. For instance, while detailed workforce data is available at the central level through sophisticated information systems, there is limited central monitoring or analysis of the data to inform workforce planning. Workforce planning is not linked to service delivery needs and access to training and professional development for staff varies across the State.
- In an environment of global competition for health professionals, Queensland Health faces significant and growing workforce pressures. Queensland has the lowest number of doctors per head of population in Australia. Despite this, Queensland Health has managed to increase its clinical workforce across all professional groups in the past decade.

For medical staff, this has been achieved through a high reliance on OTDs given the limited availability of locally trained doctors, as Queensland had until recently, only one medical school. Recent events highlight the need for urgent reform of credentialing, registration and training for overseas doctors to ensure the safety and quality of the medical workforce. In the medium term, Queensland Health will also

face challenges in offering adequate training and supervision for the increased number of locally trained medical graduates that will enter the public hospital system (numbers will double by the year 2010).

- Visiting medical officers' contribution to Queensland's public hospital system has fallen by 40 percent over the last decade. As a group they are feeling undervalued and marginalised from the system. Greater utilisation of this group provides one avenue to help alleviate the shortage of medical practitioners, however this will solve only a portion of the total problem.
- Allied health professionals, dentists and experienced nursing personnel are also in short supply in Queensland and targeted strategies will be necessary to address these shortages.
- There are concerning levels of attrition of clinical staff from the public health service, the most concerning being younger specialists medical practitioners and graduate nurses. Their attrition levels, although acceptable in more normal times, are reported to be increasing and this will have a significant adverse service impact.
- There are no simple solutions to the workforce pressures facing Queensland Health. For the final report, the Review will investigate a range of short, medium and long term opportunities to: improve recruitment and retention; consider incentives, particularly in rural and remote areas; improve access to training; increase the scope and value of contribution of all clinicians; and use the capacity of the private sector to the greatest practical extent.
- The public health workforce has an average age of nursing staff and medical practitioners of 46 years. It is this level of the workforce that is carrying high workload pressures which prevent them from teaching, mentoring and supporting more junior personnel who are the future of our health service in Queensland. This is perhaps the most concerning issue revealed so far during the review.
- While it can be expected there will be a worsening shortage of clinicians for the public hospital system over the next decade, when reliance will remain on the recruitment of doctors from other places and enhanced utilisation of local doctors, there are positive future signs as new medical and allied health schools strengthen supply in the years ahead.
- The Medical Board has introduced heightened assessment and registration processes for recruiting OTDs in recent months. This will be complemented by some time spent initially under the supervision of an Australian registered specialist. The processes will add several months to processing time (for good reason) which will cause some gaps in filling doctor vacancies during the next twelve months at least.
- The colleges, Australian Medical Association and Queensland Health are also in the process of developing a training and development program for existing OTDs to ensure they are prepared as expeditiously as possible for Australian registration.

## **Chapter 6: Performance management systems**

### **Asset management and capital works planning and delivery**

- Whilst facility standards are excellent, capacity in many cases has been under-provided due to misguided health planning assumptions both locally and nationally that failed to reflect sufficiently the increased demand for acute hospital beds because of an ageing population, enhanced life-saving and life enhancing procedures not related to day surgery and in the case of South East Queensland, an 80,000 a year influx from southern states.

### **Information management**

- There is a perception that Queensland Health has many information systems that provide a wealth of data yet little information that assists districts in service planning and performance evaluation. Some data systems appear to be developed without sufficient clinical input or consideration of how the information will be managed and used.
- There appear to be deficiencies in planning for IT with little examination of business processes before systems are designed. Systems are generally not implemented well with little evaluation of the impact of systems on staff. The lack of integration between systems and the inability to integrate systems to external stakeholders (eg general practice) results in duplication of data entry and introduces risks for patient care.
- Information systems to support clinical care are needed and clinicians need to be involved in their development. This will improve Queensland Health's capacity to monitor the quality and safety of its services and patient outcomes.

### **Monitoring health system outcomes**

- Queensland Health is required to report on a large number of performance measures. It reports this information according to various frameworks which make it difficult to evaluate performance as a whole. One framework is needed for performance reporting.
- Current performance monitoring and review is skewed to activity, budget and efficiency. There are gaps in monitoring the performance of Queensland Health's workforce and the quality, responsiveness, sustainability and continuity of services provided. There is very little performance evaluation of service outcomes. A performance assessment framework needs to be developed that measures the things that matter.
- Little information on district performance is shared with staff. There is also little comprehensive information about the quality and outcomes of services provided to the public at the local or state level. Staff and the community have a legitimate right to be informed about these matters.
- Many clinical staff attempt to measure the quality of clinical interventions but are hampered by information systems that do not provide information on clinical care.

- Staff perceive a culture of not managing performance issues well. Performance appraisal and development plans are in place for many staff but are not seen as adding value by the majority of staff. Issues of clinical competence need to be dealt with in a framework which is appropriate for both the clinician and the community.

### **Chapter 7: Culture**

- Culture has a profound impact on health service and system performance. The Review Team heard consistent allegations about more serious behaviour problems including intimidation and bullying. A recent independent culture survey commissioned by the Review in two districts and in a part of Corporate Office provides greater insight into this problem.
- When assessing the results of this survey, it is clear that staff are experiencing very significant work pressures, and in this environment are experiencing a higher than usual rate of dysfunctional interpersonal relationships. The survey confirms the direct reports received about bullying and intimidation but suggests that this may not be as prevalent as portrayed and reveals that it is much more prevalent in districts than in Corporate Office.
- In pressured work environments, it is necessary for an employer to respond as promptly as possible to minor frustrations and annoyances that can easily be addressed, before they develop into major problems. There is evidence to suggest that organisational culture, the extended hierarchy, layers of decision making and budget considerations make this very difficult to achieve in the current organisational arrangements.

Whilst this interim report has identified many significant issues, it will be the final report where integrated recommendations are framed together with a strategy for organisation improvement and renewal for Queensland Health.