

The Australian Medical Association's (AMA) annual Public Hospital Report Card says hospitals are facing "a growing funding crisis" – with their performance virtually stagnant, and even declining in certain areas – and lays the blame squarely at the feet of the federal government.

It rejects claims health spending is unsustainable, saying there have now been two years when growth has been well below the long-term average annual growth of 5% over the last decade.

The 2016 report feeds into the current debate about tax reform, in which premiers Mike Baird and Jay Weatherill have supported a rise in the GST to help with the growing problem of hospital funding.

AMA president Brian Owler said that from July 2017 the Commonwealth would limit its contribution to public hospital costs, with rises in its funding restricted to indexation using CPI and population growth only.

"As a result, hospitals will have insufficient funding to meet the increasing demand for services," Owler said.

"Things will get much worse in coming years unless the Commonwealth reverses its drastic cuts from recent budgets."

Commonwealth funding for hospitals had already been reduced for the three years to 2017-18, with a further reduction to 2018-19 in the December budget update, he said.

"Public hospital funding is about to become the single biggest challenge facing state and territory finances – and the dire consequences are already staring to show," Owler said.

Among its 2016 findings, the report says that hospital bed-to-population numbers have been

Australian Medical Association report shows public hospitals under the pump

Written by The Conversation USA

constant over recent years, despite an increasing demand for hospital services. Total public hospital bed numbers increased by 256 in 2013-14, while numbers as a ratio per 1000 of the general population fell to 2.51, from 2.57 in 2012-13. This ratio had not improved since 2009-10.

Only 68% of emergency department patients classified as urgent in 2014-15 were seen within the recommended 30 minutes.

In 2014-15 no state or territory met the interim (2014) or final (2015) national emergency access target of patients being treated within four hours. Performances in Victoria and Western Australia were below their 2013 targets, and performances in South Australia, Tasmania, the Northern Territory and ACT were below their 2012 targets.

The national medium waiting time for elective surgery reduced in 2014-15 by one day to 35 days.

But the report says this hides the real time, because it is only after patients have seen their specialist that the count starts. "Some people wait longer for assessment by a specialist than they do for surgery," the report says.

Rejecting the government's argument about unsustainable health expenditure, Oowler said health was 9.8% of Australia's GDP in 2013-14, compared with the ten-year average of 9.12%.

"The Commonwealth government's total health expenditure is reducing as a percentage of the total Commonwealth budget. In the 2014-15 Commonwealth budget, health was 16.13% of the total, down from 18.09% in 2006-07. It reduced further in the 2015-16 budget, representing only 15.97% of the total Commonwealth budget," he said.

"Clearly, total health spending is not out of control. The health sector is doing more than its share to ensure health expenditure is sustainable.

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“Despite this, the growth in Commonwealth funding for public hospitals in 2013-14 was just 0.9%, well below inflation and virtually stagnant. This is off the back of a 2.2% reduction in Commonwealth funding of public hospitals in 2012-13.”

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.

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