

Federal government gets private hospital resources for COVID-19 fight in exchange for funding support

Written by Michelle Grattan, Professorial Fellow, University of Canberra

Private hospitals will be on the frontline in the coronavirus battle, under an arrangement with the federal government that makes available the sector's more than 30,000 beds and 105,000 workforce, including more than 57,000 nursing staff.

The government will offer agreements to Australia's 657 private and not-for-profit hospitals "to ensure their viability, in return for maintenance and capacity" during the COVID-19 crisis.

The agreement makes available more resources to meet the virus crisis, preserves the private hospital workforce, and is designed to allow a speedy resumption of non-urgent elective surgery and other normal activity when the crisis has passed.

The states will complete "private hospital COVID-19 partnership agreements", with the Commonwealth paying half the cost.

"In an unprecedented move, private hospitals, including both overnight and day hospitals, will integrate with state and territory health systems in the COVID-19 response," the government said in a Tuesday statement.

These hospitals "will be required to make infrastructure, essential equipment (including ventilators), supplies (including personal protective equipment), workforce and additional resources fully available to the state and territory hospital system or the Australian government".

Private hospitals will support the COVID-19 response through:

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Hospital services for public patients – both positive and negative for COVID 19

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Category 1 (urgent) elective surgery

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Use of wards and theatres to expand ICU capacity

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Accommodation for quarantine and isolation cases where necessary, and safety procedures and training are in place, including:

- Cruise and flight COVID-19 passengers
- Quarantine of vulnerable members of the community
- Isolation of infected vulnerable COVID-19 patients.

The cost of the move is estimated at \$1.3 billion.

Last week the government announced a ban on non-urgent elective surgery. While this freed up beds and staff, it would also strip private hospitals of core income and threaten the collapse of some hospitals without government action.

Health Minister Greg Hunt said the agreement dramatically expanded the capacity of the Australian hospitals system to deal with COVID-19, at the same time as the curve of new cases showed early signs of being flattened.

The private hospitals “are available as an extension now of the public hospital system in Australia. So, whilst we’re not taking ownership, we have struck a partnership, where in return for the state agreements and the commonwealth guarantee, they will be fully integrated within the public hospital system”.

Hunt said the \$1.3 billion estimated cost was not capped. “If more is required, more will be

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provided. If it turns out that it's not that expensive, then those funds will be available for other activities. That takes our total additional investment to over \$5.4 billion within the health sector."

In a letter to private hospital providers, Hunt stressed: "A fundamental principle of this agreement is that it contributes towards to your ongoing viability, not profits or loan/debt repayments".

Commonwealth deputy chief medical officer, Nick Coatsworth said intense efforts were being made to ramp up rapidly the number of ventilators.

He said there were some 2,200 ventilated intensive care beds in Australia. Currently just over 20 were being used for COVID-19 patients.

With immediate expansion, including repurposing and use of the private sector, this could be increased to 4,400.

"Our target capacity for ventilated intensive care beds in Australia currently stands at 7,500.

"We are working around the clock to procure ventilators," he said. "Locally, we will have 500 intensive care ventilators fabricated by ResMed, backed up by 5,000 non-invasive ventilators, with full delivery expected by the end of April."

The Australian Healthcare and Hospitals Association welcomed the "ground-breaking agreement" with private hospitals for ensuring both the best use of resources and the stability of the health system for the future.

The Australian tally of cases as of Tuesday afternoon was 4557, with 19 deaths; 244,000 tests had been completed.

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