

Transcript: AMA President, Dr Omar Khorshid, on 'Tasmania Talks' with Mike O'Loughlin, Tuesday, 17 May 2022

Subject: "Commonwealth underestimates demand for health." Hospital logjam, ambulance ramping, effect of inflation and the 6.5% cap, election health announcements, Healthcare worker shortages, COVID-19 and Flu incidence.

HOST MIKE O'LOUGHLIN: Now it's around this time back in March, we spoke with National President of the Australian Medical Association, or the AMA, Dr Omar Khorshid who was in Tassie launching the 2022 AMA Public Hospital Report Card for our state, which you may remember wasn't too flash. Ahead of the federal election, the AMA's launched its Clear the Hospital Logjam campaign to try and get some of the issues jamming up our health system addressed. So to find out how that's gone, AMA President Dr Omar Khorshid joins me live on the line now. Dr Khorshid, good morning, and I do thank you for your time again.

OMAR KHORSHID: No worries, Mike. It's a pleasure to be here.

MIKE O'LOUGHLIN: So before we get into this, remind us of some of the major issues facing Tasmanian hospitals that were identified in the AMA Public Hospital Report Card.

OMAR KHORSHID: Well Mike, the Tasmanian hospitals are similar to hospitals right around the country in facing really significant problems with a lack of capacity that manifests itself in patients being unable to access care in a timely way. And that's emergency care; if you front up to the emergency department, it's if you turn up in an ambulance being ramped outside the front of the hospital, and of course, waiting for elective surgery, with many, many Tasmanians waiting over a year for routine elective surgery for painful conditions such as hip and knee replacements. And of course, a substantial wait even to be seen by the specialist in the first place, the so-called hidden waiting list, which is also very substantial in Tasmania. And all those issues, whilst they are happening around the country, are just that little bit worse in Tasmania.

MIKE O'LOUGHLIN: And we also hear the word crisis quite a bit when we read and hear about this. I mean, would you say our health system here in Tasmania is in crisis then, Doctor?

OMAR KHORSHID: Well, I think it's a crisis when someone who calls an ambulance because they're really worried about their health and that they may need emergency care, they're worried enough to call an ambulance, and in some cases having to pay for that ambulance. Not sure quite how it works in Tasmania, but certainly here in WA it's a big bill if you call an ambulance and you're not covered. If you feel worried enough to call an ambulance and that ambulance isn't actually going to be able to drop you in a hospital, that you might be parked outside that hospital for, in some cases hours, but in some cases, even

minutes make a difference. Or, of course, if the ambulance doesn't turn up at all or turns up two hours too late. And tragically, we are hearing stories around the country of people who are dying before an ambulance gets to them or dying in the back of that ambulance before they've had medical care. That is a crisis and that is certainly happening in Tasmania.

MIKE O'LOUGHLIN: And I know that- look, when I was going through the stats - Category 2: elective surgery, we're 51 per cent below the best performing state on this parameter. The Public Hospital Report card showed that at least since 2013, Tasmania has been the worst performer on Category 2: elective surgery wait times, one of the worst performers on emergency department visits to completed on time nationally. It's quite disgraceful, isn't it? But it's- and I'm not putting any casting aspersions on staff who do a remarkable job.

OMAR KHORSHID: Staff are trying their best with limited resources and limited options, really, to do anything different to what they're doing now. That is because they don't have a system with enough capacity to meet demand. It's as simple as that, and I think what's happened is that the bean counters, the politicians, have just underestimated the extent of the demand for health care in our country. This has been particularly the case in Tasmania where there's been quite significant money constructed. There just hasn't been the money invested in health by successive state governments. And of course, the funding formula from the federal government is also deficient. That's what we've been talking about this election campaign, because that's the only way we can see a solution to what is very clearly a national problem. This is not just happening in Tasmania, it's absolutely everywhere around the country.

MIKE O'LOUGHLIN: Just in regard to ambulances. If you live in Tasmania, the state government waives ambulance costs in most cases. If you're visiting Tasmania, though, you may have to pay. But tell us a little bit about Clear the Hospital Logjam campaign now.

OMAR KHORSHID: So the campaign was designed to really point the finger at what is happening in our hospitals to make it crystal clear to all Australians what is actually happening if you are unlucky enough to have to attend an emergency department so that when it comes to voting day, which is just a few days away, that they will have that information as well as what the party has proposed to do about it in their minds.

We were hoping to be able to pressure either of the major parties to make a substantial commitment to do things differently. And the main ask of our campaign is for the federal government to increase its share of funding to 50 per cent of the overall funding per state. And that would add up to around about \$20 billion over four years and also to remove this artificial cap the Commonwealth has on its contribution, which is 6.5 per cent. And in a low inflation environment, you know, that wasn't so bad. But here we are with inflation at five per cent. Health inflation usually runs higher than usual inflation. So really, what that's saying is the Commonwealth isn't allowing the system to grow at all when we can see this extraordinary capacity problem everywhere. We need the system to grow and the funding formula won't let it grow. So that for us is a huge problem and that was really the main focus of the campaign.

MIKE O'LOUGHLIN: Can I then ask you what response have you had from federal candidates as we're now just days away from the election?

OMAR KHORSHID: Well, individual candidates have been quite supportive of the campaign and understanding why we're doing it. But of course, it's the party leadership that sets the

policy and we have not been able to achieve the commitments that we want. And I should say that these commitments are actually supported by every state government, every territory government, around the country and unfortunately we've had some disappointing comments from the Prime Minister, basically saying that 'public hospitals are a state issue so, you know, we've put lots of money in, they (state governments) should be lifting their commitments from their own state revenue and basically go away, I don't want to talk about public hospitals'.

And from the Opposition, we've had a slightly more, I guess, considered response with Anthony Albanese promising to sit down with state premiers if he was lucky enough to be elected on the weekend, and actually work out a new solution. Now, that really doesn't put any particular position on the table. We understand that these things are pretty tough negotiations between the Commonwealth and the state. And one thing I have discovered as I've gone around the country talking about healthcare is that most of our state premiers and health ministers are more loyal to their state than they are to their party.

MIKE O'LOUGHLIN: [Interrupts] Good point.

OMAR KHORSHID: So I can only imagine how tough those negotiations are going to be. But at the end of the day we haven't had a commitment from Labor, either, to actually end the hospital logjam, and that's something I'm very disappointed about.

MIKE O'LOUGHLIN: And so you should be. I think we all are. But- and you were talking about that 6.5 per cent of funding under the National Health Reform Agreement with the NEP, the National Efficient Price, based on a measure of efficient growth, and then I was reading that the growth- 2022-23, the growth in the NEP jumped to 4.1 per cent. So essentially, 4.1 per cent is, straight away, taken out of the available 6.5 per cent, so there we are - we're down to absolutely bugger all.

OMAR KHORSHID: That's exactly right, it really limits growth. And you know, it's been okay when the state governments were not wanting to expand their health systems either - they didn't either see the need or they didn't want to spend the money, they certainly didn't want to be close to the cap and accidentally go over it and therefore be responsible for 100 per cent of the cost of any extra health care they delivered in their state.

So to be honest, it's been an effective way to limit the spending on health - that's what the whole activity based funding has been. The national efficient price drives efficiency and hospitals - that's been highly successful at making our hospital system more efficient around the country, and more open. You can actually compare the financial performance of hospitals now in a way that we couldn't do in the past with block funding.

But that mechanism has gone as far as it can, and it's now actually damaging our hospitals. It's damaging our health as Australians, and it needs to be balanced with some extra investment to allow hospitals to do better. To actually deliver better outcomes, to innovate, to look at new models of care in the community, for instance - to think outside the square. And the funding formula just doesn't support any of those things.

MIKE O'LOUGHLIN: Well, that's why you've called for a move to 50/50 funding. I don't think anybody would think that was unreasonable at all. I mean, just freeing up funds for the states to build the extra beds, employ the extra staff, and I guess, fix the hospital crisis as you've so- put so well. But when I was reading in the media release that was sent out from the AMA, the final falsehood offered was that the Commonwealth can't increase funding to

remove the cap and move to 50/50 funding because the states would simply reduce their own funding, which - wrong.

OMAR KHORSHID: That's right. We've had some of the states give us formal undertakings that they wouldn't be doing that. Others have told us, in no uncertain terms, that's ridiculous and that they would absolutely be returning any extra money into the health system. And in fact, surely, any competent Federal Government would make sure it was in the agreement. I mean, no one's going to hand over another several billion dollars to state governments without making sure that that money's actually going to get spent in health. I think that really goes without saying.

And that's a very disappointing attitude from a Prime Minister who, as I said, really does not perceive public hospitals to be his problem - he literally believes that they are a state government issue. And I understand politically that you wouldn't want to necessarily be accepting the blame for the state of our public hospitals in an election environment. But gee, wouldn't it have been better to actually go to an election with a solution - having understood, having heard the stories - to actually bring some kind of answer to an election environment?

And that's something we're missing, as I said, from Labor as well. But at least Labor have done one thing that the Coalition hasn't done, and that's actually made some commitments in primary care that we think will go a long way, in the long term, to improving the quality of care in the community. And to, in the long term, reduce our dependence on hospitals as people's conditions are managed better in the community.

It's a reform piece that's going to take some time. And of course, we need to get some GPS to be able to deliver this care. But that's a billion dollar [indistinct]...

MIKE O'LOUGHLIN: And, we have a shortage here in Tasmania. Huge.

OMAR KHORSHID: Oh, yes. Well to be honest, it's another national problem, along with the shortage of nurses and many other types of health professional. And I think this is just one of these COVID effects that no one really predicted. And you know, a small shortage suddenly becomes a big shortage when you've got reduced immigration for a couple of years, catching up is extremely difficult, there are lag times to training new staff.

So unfortunately, we are going to have to live with an underperforming health system for a significant period of time. But, let's limit that time by actually getting on to the solution right now - putting the money in; making those long term plans; training the workforce for the future; building the capacity, whether it's buildings or systems or technology for the future. If we make the investments now, we can at least know that a few years' time we're going to see some solutions actually on the ground improving people's health.

MIKE O'LOUGHLIN: I'm talking with Dr Omar Khorshid, National President of the Australian Medical Association - the AMA. And I must congratulate you on the hard work you and the Association's doing, trying to get the message across during an election period. Do you think though, do you expect there will be more health announcements in the coming days now before this election?

OMAR KHORSHID: We are continuing to see some health announcements, both in terms of infrastructure - new hospitals have been announced by both the Labor Party, the Coalition have announced recently a comprehensive cancer centre in Queensland. So, there are still some announcements coming out. I think I heard this morning that Labor have announced a

fund to improve manufacturing of health products, including vaccines and drugs in Australia. And that's something they also believe is another potential national crisis that's been brought to our attention by the pandemic - the fact that we import pretty much everything we use in health care. We are so reliant on China and other countries for our drugs, our vaccines - even the drapes, the paper, the plastic, the everyday consumables, pretty much everything we use in health care is actually imported.

So to support local manufacturing, local drug production, which has actually been decreased - we used to make more drugs than we do now. And in fact, the factory, there's one in Perth shutting down around about now...

MIKE O'LOUGHLIN: Crazy.

OMAR KHORSHID: ... that's been here for many, years. And so we're going backwards there. So, that's another good announcement today. And you know, you never know there may be some more over the next couple of days.

Unfortunately, we're really not expecting a big public hospital announcement. That would be a huge win for Australians, and we'd be extremely happy if we saw it. But we've had nothing from either party to suggest that that's going to be happening.

MIKE O'LOUGHLIN: And Doctor, there are fears cost of living pressures are going to force Tasmanians to ditch their private health insurance, leading to longer public hospital waiting lists. The AMA Association Tasmanian President Dr John Saul, which we've spoken to a few times on this programme, has actually shared concerns from health insurers St. Luke's Health Chief Executive, Paul Lupo, that the rising cost of living could see Tasmanians with private health insurance leave their health fund. Are you seeing this as a pattern in other states as well?

OMAR KHORSHID: We've certainly, prior to COVID, seen a reduction in the proportion of Australians with health insurance. For about five years, 20 consecutive quarters of a decline, which we believe was due to the rising premiums and the fact that, in particular, young Australians don't perceive value. They can't understand why they're paying thousands of dollars a year for something they don't claim on.

And the problem is, with the nature of our model of health insurance, if you take the young people out, you're left with older Australians being members and older Australians have this habit of claiming against their insurance, and of course, that puts up the premiums. And you've got this cycle which we believe was going to lead to collapse of that industry. So we've actually suggested a number of short term measures and the current government are looking at those measures to try and make insurance a little bit more fair, a little bit cheaper, in particular for younger Australians to get them into the product, to get them used to this being part of their yearly spend.

But of course, if cost of living goes up too much, that just becomes untenable. Bigger reforms to private health are possible, but we are absolutely clear that one of the best things about Australia's health system is this balance between the private and the public sector. The government doesn't have to look after absolutely everybody because people who can afford to make a bigger contribution to their own healthcare do so, and that actually makes the limited health resources available for those Australians who don't have those resources. It's another - it's a really great plank of our health system that does need some attention. And again, we've

seen nothing from either party on private health insurance. But as I said, the government are working on some of the measures we've suggested a couple of years ago, and we're really hoping to see some action to make sure that private health insurance is sustainable and affordable for all Australians by the next government.

MIKE O'LOUGHLIN: Well, this election, they've really dropped the ball on health, haven't they? One of the major concerns around Australia, and it just doesn't seem to have a major impact with this election, certainly unless something's going to come out the next few days. And we also have the impact rising inflation will have on our hospitals, Doctor?

OMAR KHORSHID: That's right, and hospitals are actually very worried, both private and public, about the increasing costs that they're going to be facing. Workers are wanting wage rises who haven't had them for a long time, and in particular in some states where they've had really devastating experiences on the front line, those workers are simply leaving. And to be able to keep them in the health system, I think, is going to cost the governments more money. The things, the consumables that we buy. Of course, many of them are imported, so the costs are already going up because of the incredible cost of transport around the world at the moment, which has gone up something like eight times for a container; and of course, you've got the general inflation now that is feeding those cost increases as well. So in fact, you can add to that all the PPE, the RAT tests...

MIKE O'LOUGHLIN: Of course.

OMAR KHORSHID: ...the disruptions that are happening in our hospitals, and particularly the private hospitals where, private hospitals work by being very efficient and very high throughput. But when half your staff are off with COVID, when half your patients get sick and have to cancel on the day, that efficiency is gone. And you can really imagine that hospitals, both public and private, are going to be struggling significantly over the next couple of years, and that has to be recognised by the payers, by the governments, but also by the health insurers who determine how much they'll pay a private hospital for their care. We've all got to be in this together because this crisis will really significantly damage our health system if we don't look for solutions.

MIKE O'LOUGHLIN: You mentioned COVID there. Does the current COVID situation concern you still, or is a fatigue that seems to be pushing the pandemic off the agenda? Here in Tassie, we're averaging a death per day; this month, we've lost far more people to COVID this year than we did in the first two years of the pandemic.

OMAR KHORSHID: That's right. It's a really strange situation, isn't it? And it's another one of those things that's been absent from the election campaign. Everyone's kept pretty quiet about COVID.

MIKE O'LOUGHLIN: They have.

OMAR KHORSHID: And I guess it's because there's no good news there. The reality is we are not out of the pandemic. We have extraordinary numbers of cases - in fact, I think we're pretty much highest in the world per capita at the moment in Australia, and that is having an ongoing impact in particular on our health system, but also many other industries. Their ability to staff their businesses is very limited. And of course, you can't find replacement staff because there just aren't the people around to fill those jobs. So COVID is having a big impact; whether the deaths are an indication of the severity of the disease or the fact that we

just haven't had as much flu lately and people, frankly, who perhaps might've died in the last couple of years of the flu haven't, and they're getting COVID and that's tipping them over the edge. There's a little bit of that. There's also a little bit of every COVID-infected patient is recorded who dies is recorded as a COVID death, but if they came in with a heart attack or a stroke or had a very serious motor vehicle accident and happened to have COVID, they are still counted, at least in some states, as a COVID death.

So we've got to be a little bit more clever about how we measure the impact of COVID on our community. And one thing the governments are moving towards now is looking a bit more broadly at what we call the excess death rate to see if this is kind of normal for Australia, or in fact, are we seeing more people pass away? And so far Omicron has caused a spike in excess deaths, but not, for instance, to the level of the 2017 flu epidemic. Just to give you an idea of the scale of COVID and these pretty shocking statistics that we keep seeing, it is still comparable to a flu outbreak rather than like the impact that we saw in Italy or in Wuhan when COVID first broke out around the world.

MIKE O'LOUGHLIN: I noticed that you mentioned flu there. It is skyrocketing, the cases, and we're not probably pushing enough. We've tried pushing, but I think there's also vaccination fatigue as well. I think people are thinking, look, I've had two, I'm having a third booster on that and I don't need to have a flu shot.

OMAR KHORSHID: Oh gosh, they do need to have a flu shot. Let me tell you, as soon as the flu shot became available in my hospital, I reckon I was first in line. Even as a 47-year-old fit and healthy healthcare worker, the last thing you want when you've got COVID going around is to get the flu as well and potentially both viruses at the same time.

I completely understand the fatigue with the vaccine message. And of course, because of the mandates vaccines have, in certain parts of the community, got a bit of a bad name. And that's really disappointing because our vaccination program has been the envy of the world here in Australia with its very, very high childhood vaccination rates historically. And of course, in some parts of Australia, we have the highest vaccination rates against COVID in the world. So it is a good news story. And of course, with flu very much here now, certainly in Victoria - again, I don't know how many cases you have in Tassie just yet, but we're expecting every state and territory to get a fairly significant flu outbreak this year. And unless you want to be wearing masks all day, every day, which is probably another way to protect yourself, the flu vaccine will give you a very significant protection - not perfect, but very significant, and can make the difference between a relatively mild flu case, no flu at all, and ending up in hospital potentially very sick, particularly for elderly Australians.

MIKE O'LOUGHLIN: Well, let's hope that some of the party faithful are listening to this so they can actually, as the headline reads, 'scrap the cap' to 'end the logjam' and somebody can actually have a chat to the Prime Minister and Opposition Leader to actually do something about health and maybe make a statement before the election. We can only wish, but it's been an absolute pleasure to chat to you. Again, I do thank you for your time, Doctor.

OMAR KHORSHID: It's been a pleasure. Thank you very much for talking health for such a long period of time. It's really important that these issues get the full coverage they deserve.

MIKE O'LOUGHLIN: Absolutely, thank you indeed. That's Dr Omar Khorshid, National President of the Australian Medical Association, the AMA.

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