AMA

AMA Position Statement

Engagement of medical practitioners in hospital governance

2022

This document outlines the AMA position on management of hospitals, both public and private, through engagement of medical practitioners in hospital governance. Medical practitioners and other health professionals can contribute to better stewardship and management of health costs while ensuring quality patient care and outcomes and clinician wellbeing. This can be achieved through involved team decision making regarding resource allocation, clinical leadership, safe work environments and the purchasing of services for the provision of patient care.

1. Overarching principles

1.1. The AMA is committed to achieving better health outcomes for all Australians by working with all stakeholders to realise the objectives of improved health system administration.

1.2. It is the AMA position that the management of hospitals works best when doctors are engaged in clinical and corporate governance. This includes doctors at all career stages who work at the site and serves to advance equity, inclusion and diversity.

1.3. Doctor engagement in hospital governance will lead to improvements in professional fulfilment and effective practice, the culture of wellbeing and ultimately to improved patient outcomes.

1.4. The AMA is calling for changes to promote increased quality of governance and accountability in health care settings across all jurisdictions by making health service boards and management accountable for providing a safe psychosocial work environment.

1.5. Alongside this the National Safety and Quality health service standards must be strengthened to encourage health services to adopt an evidenced based risk management approach to address psychosocial hazards in the workplace, with clear KPIs to measure progress towards this.

1.6. Decisions on resource allocation, service provision and patient care should be made at facilities where patient care is provided, and doctors must be involved at that decision making process.

1.7. Doctors are the clinical leaders and have the ultimate clinical responsibility for patient care and add essential expertise to the management of hospitals, in addition to resource allocation. As such, they should be given opportunities for training in clinical leadership, board and governance leadership that should be facilitated by the hospital they work in. As doctors they grow in their clinical practice, their training should be reflective of this.

1.8. The AMA believes that all hospital doctors should also be trained in cultural safety, to be able to implement these practices at the hospital and health system management levels.

1.9. Medical Advisory Committees/Groups are the key link between hospital executives and medical professionals, facilitating the safe provision of patient services by advising on matters involving accreditation, clinical care, research and operational matters.

1.10. Doctors can provide high quality patient centred care while also contributing to the management of hospital budgets ensuring efficiencies, minimising waste, and identifying opportunities for quality improvement.

1.11. Doctors' engagement and positive patient outcomes are best supported when decision-making about hospital management and health service planning follows these principles:

a) A genuine commitment by Ministers, hospital owners and/or health administrators to listen to and implement doctors' recommendations about health care service planning and delivery;
b) Management and allocation of resources within health care and hospital services is co-designed and developed with front line staff such as doctors, nurses and allied health professionals as well as patients and their families
c) Decision-making is focused on the long-term improvement of patient health outcomes and evidence-based, equitable and transparent, takes a long-term view and is focused on improving patient health outcomes; important element of this is acknowledging that poor workplace culture linked to poorer patient outcomes.
d) Decision-making facilitates the right care being provided to the patient at the right time and in the right place.
e) 'Red tape' such as excessive administration, performance reporting and accountability requirements, does not take precedence in terms of time or resource allocation over the delivery of patient care and health services.
f) The appropriate remuneration of medical practitioners for participating in the management of hospitals.

2. Doctors' engagement at the hospital level

2.1. The AMA believes that hospital management should reflect collaborative teams-based care arrangements used within the clinical setting.

2.2. Hospital and health district administrators must consult with doctors, nurses, allied health professionals and other hospital staff in addition to patients and the local community to work in tandem to achieve best practice management, service planning, health care delivery and clinical practice.

2.3. Within a clinical unit, doctors should be directly involved in clinical decisions about the diagnosis and treatment of individual patients. Subject to the hospital's over-riding duty of care to patients and hospital policies, clinical decisions about admission, treatment, transfer or discharge of patients should be left to the doctor.

2.4. To facilitate this, doctors should have access to dedicated office space to allow them to perform their clinical and non-clinical work duties. A private meeting space of adequate size for doctors to conduct clinical handover, hold discussions with colleagues and private discussions with patient's relatives should also be available.[1]

2.5. Through the input and engagement of doctors and other health staff, better interpretation of clinical variation will occur, leading to positive outcomes in patient length of stay, patient presentation, case mix and complication rates.

2.6. The exact mechanism for local doctors' involvement in the management of hospitals will need to vary with the size and setting of the hospital, and the skills and interests of the doctors. However, common elements should include:

a) clinical leadership;
b) delegated authority for as many aspects of unit management as possible;
c) accountability for service delivery; and

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[1] See also AMA Position Statement on Workplace Facilities and Accommodation for Hospital Doctors – 2021 https://www.ama.com.au/articles/workplace-facilities-and-accommodation-hospital-doctors-2021

d) accountability for meeting agreed performance and financial targets.

2.7. Doctors' engagement in clinical practice, administration and resourcing decisions is integral to the effective operation of both clinical units within hospitals and at the whole-of-hospital level. Doctors' engagement in decision making should include:

a) resource allocation including budgeting and purchasing decisions;
b) resource prioritisation, including capital investment decisions;
c) development of clinical guidelines;
d) clinical advisory processes;
e) strategic planning;
f) hospital-wide training and research; and
g) monitoring performance and financial targets.

2.8. The AMA believes that doctors must have the delegation ability, the discretion and the flexibility to make timely management and resource decisions in respect of their clinical units.

2.9. It is the AMA position that heads of clinical units and one or more elected representatives of the local medical staff should form part of the executive management of the hospital. A Medical Advisory Governance team should also inform the governing body. This group can provide advice on:

a) clinical policy and matters affecting patient care;
b) medical workforce issues;
c) the medical technology and capital requirements of the hospital;
d) efficient and equitable use of hospital resources;
e) actively advancing quality improvement;
f) improvement of workplace culture and doctor wellbeing;
g) providing safe psychosocial environments, acknowledging that poor workplace culture is linked to poorer patient outcomes
h) successful implementation of diversity and cultural safety policies;
i) integration of hospital care with community and aged care; and
j) any other medical/patient care issues.

2.10. Hospital doctors should also play a role in service planning and resource allocation for the clinical services delivered in their hospital. At the whole-of-hospital level, doctors should be involved in the direction and management of their clinical programs within the overall parameters of their hospital's clinical services plan.

2.11. The AMA believes that doctors must have protected time for non-direct patient care duties to ensure that they are able to meaningfully engage in clinical governance activities.

2.12. Doctors' clinical commitments and participation in management processes must be carefully balanced. Accordingly, terms of employment must recognise, and doctors must be remunerated for, the time spent engaged in the management of the hospitals.

2.13. Mechanisms for target setting at a hospital level, data collection, reporting and feedback must be developed in consultation with doctors. Doctors must also be supported and adequately resourced to achieve and report on targets and act on information gathered in a constructive way.

2.14. The AMA believes that targets and Key Performance Indicators (KPIs) for hospital management (CEOs) must be developed in consultation with doctors and must include doctors' psychosocial safety and wellbeing. KPIs must also include medical staff retention. The AMA acknowledges that staff retention and doctors' wellbeing are closely linked to the hospital culture that stems from the management approach.

2.15. Communication at the governance level must ensure that timely and meaningful information (including performance and financial information) is provided to doctors so that they are able to make informed decisions and participate fully in hospital governance processes.

3. Doctors' engagement at other levels of the health system

3.1. The AMA believes that strong partnerships between different parts of the health care continuum will result in better patient care.

- 3.1. Doctor engagement does not start and stop within the hospital. It is essential that local doctors participate in and inform decisions about health care in their area. This should also encompass disaster preparation and responses.
- 3.2. All governing and administrative bodies making decisions about service planning and patient care for a particular area must therefore ensure that local doctors and other allied health professionals providing health care in the community and in residential care facilities are engaged in this decision-making process. This will ensure better integration and information sharing across the health system, including in-hospital and out-of-hospital care.
- 3.3. At the local area level, doctors should have a direct role in contributing to:
  - a) plans for better clinical integration of in- and out-of-hospital services (acute, primary, community-based);
  - b) planning of services;
  - c) resource allocation (where it is appropriate that particular resources be rationalised across the region);
  - d) planning of state-funded out-of-hospital services;
  - e) epidemiological reviews to inform regional planning;
  - f) performance benchmarks and reporting requirements; and
  - g) training and research appropriate to the demographics of the local area population.
- 3.4. The AMA supports doctors' engagement at the State and Commonwealth government level through medical advice to inform decisions about:
  - a) equitable regional, state and national resource allocation;
  - b) activity based pricing;
  - c) safety and quality standards; and
  - d) performance benchmarks and reporting.
- 3.5. The AMA believes that doctors should be involved in providing advice to bodies established under the National Health Reform Agreement[2], including but not limited to the Independent Hospital and Aged Care Pricing Authority and the Australian Commission on Safety and Quality in Health Care.

See also:

AMA Position Statement on Workplace Facilities and Accommodation for Hospital Doctors – 2021

[2] https://federalfinancialrelations.gov.au/sites/federalfinancialrelations.gov.au/files/2021-07/NHRA_2020-25_Addendum_consolidated.pdf