

Gilbert, Jewel

From: Brown, Jacqueline
Sent: Thursday, 13 January 2005 9:27 AM
To: Gilbert, Jewel
Subject: LCMHC Authorisation A90947

From: Mike Monsour [mailto:mmonsour@tassie.net.au]
Sent: Thursday, 13 January 2005 12:49 AM
To: Brown, Jacqueline
Cc: Palisi, Paul
Subject: Application for Authorisation A90947

As Chairman of the Medical Advisory Committee, St Luke's Campus of Calvary Health Care Tasmania, I provide this submission as requested and respond to the specific questions in relation to the "Application for Authorisation **A90947** lodged by Little Company of Mary Health Care Limited".

1. Self-paying patients.

1.1 Both St. Luke's and St. Vincent's Hospitals are 'not for profit' facilities and without shareholders to satisfy, I believe financial considerations would be driven by salaries, capital purchases / maintenance, and services to clients. Through a merger, more services would become available for both hospitals to purchase. I do not believe the merger would encourage an increase in fees (driven by desire for profit) as both hospitals are Christian, charitable organisations with an ethos of service to the poor, and have provided discount services to un-insured patients with financial difficulties.

No patient would elect to be a "self-funded" private patient at the Launceston General Hospital as they would not receive any priority on a waiting list. I am not aware that a patient could buy their way into a public hospital. I am not privy to the fee structures at the Eye Hospital or the Gynaecological Clinic, but as these are "for profit" facilities I suspect their rates would be higher.

I cannot comment about service providers outside of Launceston.

1.2 They can already elect to do this. If a patient requires a service he/she cannot afford to self fund, the choice of public hospital care remains. Again I feel it is an incorrect assumption that the merger of two charitable hospitals will promote a desire for increased profit.

2. Patients with treatment paid for by health funds, DVA or another entity.

As Chairman of the Medical Advisory Committee, my role is that of a medical, not financial, advisor. I am not privy to the negotiations between either private hospital and the health funds, DVA or the Launceston General Hospital. I therefore cannot comment about 2.1 - 2.4.

3. If authorisation is not granted.

3.1 Historically there have been two private hospitals in Launceston since 1940's, and both continue to provide a constrained range of services, albeit at a high standard. Both are sustainable but without this merger neither private hospital will be able to offer a growth of comprehensive services that are available in similar regional cities where there is only one private hospital. To date both St Luke's and St Vincent's have been effective competitors, but this has necessitated the duplication of facilities and services with subsequent financial constraints limiting the acquisition of new equipment requested by practitioners to maintain contemporary services to the benefit of patients in our community.

by either

3.2 It has been difficult for either hospital to improve the range of services in Launceston

because both operators are competing for a limited patient population. This does not occur in any other similar size non capital city in Australia and the current situation provides no benefit to the community. It is likely that both operators would maintain the quality of services (without growth) in the short term but my medical colleagues are anxious about inevitable deterioration in the medium to long term with spiralling costs in maintaining a facility.

4. Public benefits.

It is my personal view, shared by every colleague I have spoken to, that this merger would be a positive move for ALL of the reasons listed in the submission by LCMHC in this section. By improving economy of scale with rationalization rather than duplication of services, the effect can only be positive for the community. This increase in quality and growth of services will also help attract and retain practitioners to our regional area, lowering the need for patients to travel elsewhere for treatment.

5. General.

As I do not practice in Hobart I cannot comment about the outcome of the acquisition by Calvary Health Care of St John's Hospital.

We have been fortunate in Launceston to have recently attracted vital new specialist practitioners. This is a difficult task affecting all of regional Australia. The public is aware of this and the opinion expressed by members of our community, non medical friends and patients is that the need to retain specialists in our region (by growth of new facilities) far outweighs any perceived detriment that might attend a merger of the two private hospitals.

Yours sincerely

Michael Monsour
Chairman, Medical Advisory Committee
St. Luke's Campus, Calvary Health Care Tasmania.

Phone: 03 63315800

Fax: 03 63342399