



RECORD OF MEETING

Matter name:	AMA Victoria Collective Bargaining Notification CB00004		
ACCC parties	Scott Gregson, Isabelle Arnaud and Louise Hird		
Other parties	Felix Pintado and Peter Wallace of Latrobe Regional Hospital	Date	21/09/2007

Isabelle Arnaud (IA) outlined the collective bargaining notification that the ACCC had received from the AMA (Vic). IA indicated that the purpose of the discussion was for the ACCC to obtain some factual information about LRH and its contracting arrangements with doctors.

Felix Pintado (FP) and Peter Wallace (PW) provided the following comments:

Overview of Latrobe Regional Hospital

- LRH has 257 beds, of which 156 are serviced by the 39 doctors in the proposed collective bargaining group
- LRH offers 'fully integrated' services, including acute, rehabilitation, psychiatric and aged care services.
- LRH is one of five regional public hospitals throughout Victoria
- LRH services the Gippsland region, which has an estimated population of 250,000 – of which 70,000 are in the Latrobe Valley
- LRH is affiliated with Monash University, and has training facilities on site
- LRH does not offer neurosurgery or cardiothoracic surgery
- LRH has an intensive care unit, with high dependency beds included. Within the region there are 3 other smaller-sized hospitals that also have high dependency beds. These 3 hospitals are district hospitals compared to LRH which is a base hospital
- As a regional hospital, LRH is required to offer a range of services.

Medical workforce at LRH

- LRH has approximately 60 VMOs, of which 13 have already signed new 3 year contracts (the last contracts expired on 30 June 2007)
- LRH has 10 employee doctors, mainly in psychiatry
- VMOs have sessions to attend at the hospital.
- VMOs have ongoing obligations to patients to do follow up check ups. Surgeons or physicians call in at the hospital regularly to follow up patients.

- Whilst VMOs do not have set rosters, they work in the hospital on a regular basis. Surgeons would have allocated theatre time
- The majority of the VMOs live and work outside of LRH in the Latrobe Valley, or Gippsland. They would see patients as private patients and if the patient's condition requires it, then refer the patient to the hospital for treatment and treat that patient at the hospital, usually as a public patient.
- Certain specialists come from Melbourne on a regular basis
- When recruiting, LRH goes broader than just the Gippsland region. However, it tries to attract doctors to settle in the region.
- LRH would not be able to function if the group of 39 doctors did not work at the hospital. A regional hospital such as LRH cannot operate without the doctors in the region.
- Refuted the claim that the 80% of GPs in the region would be a substitute if the group of VMOs working for LRH. Most GPs appointed at the hospital are anaesthetists or obstetricians. If GPs do not have those skills, they are not substitutes. If the other GPs did have this training, it would be more than likely that they would already be working at the hospital.
- LRH noted that there are shortages for all specialties and it is therefore very difficult for LRH to recruit specialists. This is not different from any other rural/regional areas. LRH recruits from overseas using recruitment firms, when local candidates are not available.

Current VMO contracting

- LRH offers 3-year VMO contracts. The price component is set as a percentage of the MBS.
- Different craft groups have different pricing. This reflects how critical to the hospital a particular craft group is, and the difficulty in attracting such craft group to the hospital. There is no difference in the price paid for doctors from the same craft group.
- Whilst each doctor will have an individual contract, and may attempt to negotiate with LRH, LRH noted that in the past it has not shifted from what it initially offered to doctors.
- LRH is constrained in how much it can pay doctors by their budget. Overall the increase it gives doctors cannot be more than what the State has given it. However, it can vary the increase between craft groups.
- LRH does have the potential to subsidise market-based rent at consulting clinics attached to the hospital and other such incentives for defined periods of time to attract doctors from metropolitan hospitals to the region. These are outside their contract for VMO services
- The comparison made by the AMA between fees paid to VMOs in rural hospitals and metropolitan doctors who are employees, as the latter receive the benefits of being employees (ie. superannuation, leave etc.)
- LRH does not consider there are issues between the hospital and the wider group of VMOs at the hospital

SG pointed out that LRH was in no means compelled to participate in collective negotiations with the doctors if it did not want to. SG clarified that the notification would simply give the group of 39 doctors immunity if they attempt to collectively negotiate with the hospital.