

Notification Cabrini Health Ltd N95607

Private Response: Dr Lloyd McGuire

Please note that I have lodged a response on behalf of the Australasian Society of Anatomical Pathologists (ASAP).

This is not a supplement to that response.

The ASAP have no interest or expertise in outpatient pathology involving Collection Centres and blood specimens.

This response centres around this issue and my bone fides are based on 12 years experience as a Partner of a large comprehensive pathology provider (QML) and my capacity as Director of a large regional branch of the practice on the Gold Coast.

The Notification made by Cabrini Health seeks exclusivity for both inpatient and outpatient pathology services for Cabrini patients and wishes to force Cabrini clinicians to utilize Cabrini Pathology for their patients' pathology requirements.

As I read through the Notification, it seemed that there was a subtle emphasis on the outpatient services.

This was surprising because most outpatient pathology services for specialists who are likely to work out of Cabrini Hospital and any attached Specialist suites will NOT be, and NEVER be, performed at the hospital collection centre.

Most blood related pathology is required for the patient's next appointment and blood is collected at a place convenient for the patient – either close to home or work – at a time designated by the specialist usually near to the time of the next appointment but allowing enough time for all the tests to be completed in time for the appointment – usually 2-3 days.

It is unreasonable to expect a patient to travel to an inconvenient location (Cabrini Hospital) to have blood taken the 1 or 3 days prior to their appointment hence the "suggestion" that Cabrini put on a bus for these patients.

Then the penny dropped.....

The more likely scenario is that Cabrini plan to:

1. Establish their own Collection Centres in strategic suburban and CBD locations (Collection Centre are now deregulated) AND/OR;

2. Have an agreement with an existing Pathology service provider to accept Cabrini referrals with a percentage of the revenue to be redistributed to Cabrini Pathology.

As this would, if true, extend the monopoly beyond the hospital precinct, I would think that it could materially affect the decision process.

If it doesn't, it should.

Such a monopoly agreement would surely be in the interests of Cabrini Health and the other partner (it doesn't matter who it is) by increasing referrals, essentially, to both parties and increasing the enterprise value of Cabrini Pathology for future sale.

The notion held by hospital operators (both private and public) that they "own" all services and therefore revenue pertaining to their patients has been around for 20 years and probably longer.

Cabrini Health is not the first or only hospital to take this view. I understand Epworth Hospital in Melbourne has a similar arrangement with the same pathology provider (Sonic) and success by Cabrini may be followed by similar Notifications.

One can go too far with conspiracy theories BUT I feel that I am on solid ground in this case.

Cabrini must know that outpatient bloods will almost never be collected at the hospital collection centre and, under current circumstances, exclusivity of outpatient services would be useless and unenforceable. There has to be other factors in play and I, for one, feel that the whole picture should be presented or does openness and transparency not count?

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