

Special Commission of Inquiry into Healthcare Funding

Statement of Dr JO KARNAGHAN

Name: Dr JO KARNAGHAN

Professional address: 8 Macquarie St, Sydney, 2000

Occupation: Director Clinical Governance and Medical Services, South Eastern Sydney Local Health District

1. This statement made by me accurately sets out the evidence that I would be prepared, if necessary, to give to the Special Commission of Inquiry into Healthcare Funding (**Inquiry**) as a witness. The statement is true to the best of my knowledge and belief.
2. I am Director Clinical Governance and Medical Services for South Eastern Sydney Local Health District (**SESLHD**) and have been in that role since July 2019. A copy of my curriculum vitae is at **Exhibit A**.
3. This statement is provided in response to the statement of Duane Findley, Chief Executive Officer, the Royal Australian and New Zealand College of Radiologists (**RANZCR** or **the College**), dated 15 July 2024 and his evidence given to the Inquiry on 25 July 2024 so far as it relates to SESLHD.

A. INTRODUCTION

4. I provide my response to case studies relating to SESLHD (Case Studies 3 and 4 in Mr Findley's statement) below. In preparing this statement, and specifically the responses to the relevant case studies, I consulted other staff members within the SESLHD who have direct knowledge of the events referred to in the relevant case studies. Where aspects of my statement are based on information provided to me by other staff members within the SESLHD, I have identified the staff member who provided that information by name.
5. At paragraph 83 of his statement, Mr Findley states:

Discussions on accreditation issues are often met with: denials; deflections; counter accusations; threats of legal action; demands that RANZCR take responsibility for the workplace behaviour of NSW Health employees; demands that RANZCR place local population access to health resources over the wellbeing of trainees; arguments that the accreditation standards are wrong; and, in some instances, voluntary withdrawal of accreditation by the site with comments that they will now use "unaccredited

trainees" to fill the gaps left by trainees. Details of meetings which support these experiences are provided in Section 14 under case studies.

“Unaccredited trainee” is a HR term used in NSW rather than the term “Unaccredited Registrar “or other titles which are used in other States. As noted in Mr Findley’s statement at paragraph 66, the employment and engagement of doctors falls outside the College’s scope of responsibility. I am not sure why any college would be surprised that a department would seek to secure an appropriate alternative workforce, such as “unaccredited trainees”, if college accreditation was not in place to ensure continuity of services and to support the senior medical staff.

Timeline

6. Case studies 3 and 4 should be considered in light of preceding events.
7. As at December 2022, the Radiology Department (**Department**) at St George Hospital (**SGH**) had been having issues with accreditation going back a number of years and had been actively working with the College to improve its rating. The College ranks training sites based on the site’s performance, based on categories of A, B, C and D, with category D being the lowest ranking. Between 2019 and 2021, the Department’s accreditation ranking bounced around between categories B and D. In 2022, the College raised concerns about the Department’s capacity to train and supervise trainees, culminating in a formal downgrading to category D in December 2022.
8. The College notified SGH of the downgrading of its status to category D on 19 December 2022. At the same time, the Department received 45 separate requirements from the College, 31 of which were required to be rectified within three months, including the recruitment of 6.5 full-time equivalent (**FTE**) Staff Specialists. This requirement would effectively result in the Department’s Senior Medical workforce more than doubling in circumstances where the Department had been unable to recruit Staff Specialists in the preceding five years. While we have mechanisms in SESLHD to recruit Staff Specialists and Visiting Medical Officers on temporary contracts at short notice where workforce is available, it was impossible to comply with this requirement in the timeframe set
9. The College also required that SGH submit progress reports for every three-month period regarding the status of its compliance with the requirements. The Department submitted very detailed reports to the College but, as is apparent from the timeline set out below, only received quarterly feedback from the College just before the next report was due. This meant that the Department was unaware of any matters the College

remained unhappy with or required be addressed until a week or so before the next report was due.

10. SGH submitted its 3-month report by the due date of 20 March 2023. A copy of that report is exhibited to this statement [MOH.0010.0704.0001].
11. The College acknowledged receipt of the 3-month report on 8 June 2023 (11½ weeks after submission and two weeks before the next report was due) but did not respond to the details within the report, only acknowledging that progress had been made.
12. The College asked for a site visit with all stakeholders to take place in July 2023, after the six-month report was due.
13. SGH submitted its 6-month report on 20 June 2023. The College did not respond to the details within the report. A copy of that report is exhibited to this statement [MOH.0010.0705.0001].
14. The site visit took place on 5 July 2023, and the College provided its feedback on the site visit the next day via email [MOH.0010.0706.0001]. That email provided limited guidance, highlighted major concerns, and gave SGH 3 months for “significant rectification of structural deficiencies” with a determination to be made in November 2023 regarding SGH’s ongoing accreditation.
15. SGH submitted its 9-month report on 20 September 2023. A copy of that report is exhibited to this statement [MOH.0010.0708.0001].
16. The College provided detailed feedback to SGH’s 9-month report, however not until 11 December 2023, 11½ weeks after the report was submitted. This feedback had 7 significant conditions that still had to be met to prevent withdrawal of accreditation, with the next report due 9 days later, on 20 December 2023.
17. SGH submitted its 12-month report on 15 December 2023. A copy of that report is exhibited to this statement [MOH.0010.0707.0001].
18. On 18 April 2024, the College advised that SGH’s accreditation would be withdrawn at a date to be determined. The College responded to the 12-month report in May 2024.
19. Following negotiations with the College, it was agreed that SGH could maintain category D accreditation subject to a number of conditions.

Further context

20. By way of further context to the case studies, given the difficulties SGH experienced in recruiting staff specialists, it put in place a staffing model (**the new model**) in late 2022 based on a Visiting Medical Officer (**VMO**) modified fee for service model. The agreement to trial the new model was made verbally between the SESLHD Chief Executive and the Ministry of Health (**MoH**) Workplace Relations Branch, and it was based on the Illawarra Shoalhaven Local Health District Special Determination.
21. The new model was a very similar model to the one which was in place in Wollongong at the time but had an additional enhancement. We still had a small cohort of staff specialists, but a lot of our staff specialists swapped over to VMOs under the new model. For their clinical work - the actual reporting of examinations - the VMOs engaged under the new model were paid a fee for service based on time worked rather than MBS based fee for service. As part of the new model, if the practitioners wanted to undertake work reporting on the more complex films such as CT scans or MRIs, which were financially more lucrative, they had to agree to be rostered to work as required on non-reporting duties during which they had to provide training or education to more junior staff members, and/or undertake governance activities (for example auditing of reports completed against an agreed set of criteria to ensure the quality of the service, attending clinical meetings with other specialty departments and MDT meetings).
22. The new model meant that every day there was at least one, and some days as many as three, senior radiologists rostered on to work in the Department to provide training and supervision to the registrars, undertake clinical governance work, auditing of reporting to ensure that the quality of the reporting was maintained, and to be available to go to teaching meetings with other departments. Every morning the registrars had a huddle with the senior radiologist/s who were rostered on and the Manager of the Department and would be told which senior radiologist was providing the training and supervision, and who the registrars should go to for Work Based Assessment (**WBA**).
23. After its success at SGH, the new model has been extended to Sutherland Hospital during 2024.

B. CASE STUDY 3 – SOUTH EASTERN SYDNEY LHD RADIOLOGY

24. In respect of Case Study 3, and the meeting that occurred on 1 November 2023, I understand that this meeting occurred because SESLHD was attempting to resolve a matter informally with the College. I was not at the meeting. Dr Debra Graves, Chair of

the SESLHD Board, attended this meeting. At the time of the meeting, Dr Graves was the Chief Executive Officer (**CEO**) of the College of Pathologists, a role that Dr Graves no longer holds.

25. Given her role as the CEO of the College of Pathologists, Dr Graves knew Mr Findley well through the CEOs of Medical Colleges meetings and other forums, and she offered to speak with him informally to try and smooth the water and to see what the real issues were between the College and SGH/the SESLHD.
26. Dr Graves made it clear to SESLHD that she was not trying to influence any decision the College might make.

Paragraph 168

27. In paragraph 168, Mr Findley states that Dr Graves alleged that the RANZCR Training Network Director (**TND**) "*had been telling trainees that their sites accreditation was being withdrawn*". I am informed that Dr Graves did raise this allegation with Mr Findley.
28. The TND is a local appointment by the College to oversee the training network. The TND involved in this case study does not work for SESLHD but is employed as a radiologist at St Vincent's Hospital, although at the relevant time she was acting in her capacity as a TND, appointed by the College.
29. The conduct referred to by Dr Graves occurred in a meeting between the TND, a senior manager of the College, and the trainees of the Department at SGH on 16 October 2023. The Operations Manager of the Department, Sam Hassan, knew about the meeting, but the TND and the College declined to provide an agenda despite multiple requests from SGH. Ms Hassan and Dr Amy Manos (the Deputy Director Medical Services for SGH), attended the meeting.
30. Dr Manos called me immediately after the meeting on 16 October 2023 and said that the trainees were distraught because the TND had advised that the Department was "highly likely to lose its accreditation status" and suggested to trainees that they should pre-emptively be seeking alternative employment opportunities explicitly noting three positions soon to be posted for advertisement with the St Vincent's Network (the hospital at which the TND worked).
31. SESLHD tried to raise concerns about the conduct of the TND firstly with the Health Education and Training Institute (**HETI**), as it had set the training networks up, but HETI

said the TND was not employed by them and was managed by the College. SESLHD raised concerns with the College, and it said that the TND was not its employee and denied that the TND had ever made the statements alleged. The College also indicated they were able to speak to their trainees and did not need our permission to do so.

32. Managing issues with TNDs and College supervisors can be complicated because NSW Health is often the individual's employer, or the principal in the case of VMOs, but the TND/Supervisor is present and undertaking work at its sites and services as agents or officers of a college and acting on behalf of the college often in a voluntary capacity.
33. For any college to say they cannot take responsibility for the workplace behaviour of an TND or other individual in the situation where that person is acting as an officer of the college, and exercising college responsibilities, because that TND is an employee of (or otherwise engaged by) NSW Health is problematic from a system perspective. It raises questions about who that person is accountable to when delivering education and other outcomes and making assessments relevant to accreditation. While NSW Health retains obligations for the health, safety and overall performance of these individuals in the workplace, the work undertaken by such individuals in supervising trainees or doing other duties on behalf of a college is undertaken in a voluntary capacity and NSW Health absorbs the time spent by these employees and contractors undertaking such voluntary work as part of its own costs. Where a person who holds a college role is exercising that role within the LHD/Specialty Health Network (**SHN**) where they are employed, the LHD/SHN, as the employer can hold the person to account, but where the position holder is employed in another LHD/SHN there appears to be a gap in governance and accountability. This latter situation is not unique to Radiology due to Network training structures that exist in NSW.
34. Ultimately the College undertook an investigation and it found that the TND did not say what was reported at paragraph 30 of this statement. The TND is still the TND for the network.

Paragraph 169

35. Paragraph 169 of Mr Findley's statement is not in keeping with Dr Graves's recollection. Dr Graves recalls stating that the new model (as described in paragraphs 20 – 22 of this statement) involved a dedicated radiologist to be available for trainees each day for supervision of work and it was her view this was excellent for teaching.

Additional radiologists had been engaged to undertake the routine reporting that was of low value from a teaching perspective. .

36. Mr Findley reports in paragraph 169 that it was said that the College “*should be more flexible in its approach to different operating models*”, and he says at paragraph 83 that there are “*arguments that the accreditation standards are wrong*”. This is a simplistic interpretation of how many senior medical managers feel about many accreditation standards set by many colleges. In the SESLHD, it is sometimes difficult to understand how a college’s standards relate to education and training outcomes. Where that becomes very material is when colleges mandate a certain level of staffing, usually per trainee or per service provided. There is no dispute that you have to have enough people to provide teaching and supervision, but some colleges have, at different times, mandated a particular amount or ratio of FTE to staff the department without pointing to evidence that the ratio or required FTE is the minimum number required to provide adequate supervision and that these ratios have a positive impact on training outcomes (for example, the Royal Australasian College of Psychiatrists stipulates FTE ratios for Supervisor of Training and Education Support Officer roles in its accreditation standards).

Paragraph 170

37. The suggestion that even after the September 2023 report trainees had been left with no consultant support is factually incorrect. The College was relying on old data and was not acknowledging that the new staffing model was rostering extra staff to be on site for the purpose of providing supervision and education/teaching.

CASE STUDY 4 – MEETING BETWEEN NSW HEALTH AND RANZCR OVER SOUTH EASTERN SYDNEY HOSPITAL ACCREDITATION

38. Dr Heidi Boss Director Medical Services & Clinical Governance, St George Hospital, Dr Linda McPherson (Director, Workforce Reform, MoH) and I attended a meeting on 9 November 2023 at RANZCR, with a number of representatives from the College including Mr Findley, representatives from the training and education committees, and other radiologists.

Paragraphs 171 and 172

39. At the meeting, the College presented the numbers of consultants providing supervision within the Department. Those numbers were accurate as at June 2023 for the College’s

July 2023 visit, however the College had been provided information in September 2023, by way of a 9-month progress report, that demonstrated significant progress had been made. The College conceded at the meeting they were not familiar with what had been provided. This reinforced SESLHD's concerns that the information it was providing to the College following the downgrading of SGH's accreditation rating to category D was not being considered by the College in a timely manner.

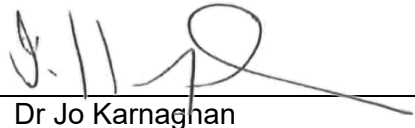
40. The College expressed concerns that the new model was not safe given the use of VMOs who would not supervise as they were not paid for supervision. This observation is not consistent with the NSW Visiting Medical Officer Determination and VMO model contracts, where the supervision of trainees is considered part of the role, and could be claimed for payment.
41. While there had been some backlog of reporting that was being addressed by the new model, that issue did not affect supervision given the dedicated training, governance and audit position on the roster. This was not recognised by the College. The SGH reporting backlog was significantly less than the backlog subsequently identified in other NSW hospitals.
42. Mr Findley asserts that SESLHD stated at the meeting "*(t)hat local population health should be RANZCR's priority and so withdrawal of accreditation from the site should not be an option, due to the impact on the community*". This is not my recollection, although Dr MacPherson may have said that withdrawal of accreditation had an impact on provision of services and therefore the community, especially if a short timeframe for withdrawal of accreditation was given. Dr Boss explicitly stated in that meeting that withdrawal of accreditation would not impact service delivery capacity due to the model the Department had implemented, where the Department was not dependent on trainees for the bulk of service delivery.
43. During this meeting, Dr Boss and I referenced success of trainees who had passed the examination. The RANZCR focussed on two struggling Junior Medical Officers (**JMOs**), who in the view of Dr Boss would have struggled at any training site. The RANZCR acknowledged that legal action was one trainee's only option to continue the program due to a number of exam and assessment failures.
44. We knew there was an issue with the completion of WBAs as required by the College, but it was difficult to know whose and how many. At one point, Dr Boss and Ms Hassan made sure the trainees had time to do them, and there were supervisors available to

sign them off. Even after this, the College came back and said they were not being done. It turned out that the trainees had not entered them in the College system. Hospital management does not have access to that system or data because it is a College database. We did ask for access at the meeting but were told that we could not have access due to privacy reasons. Eventually, information regarding who had outstanding WBAs was provided by the College.

45. There is a great deal of responsibility put on training sites to monitor compliance with college training requirements, but it is very difficult for hospital managers to actually monitor compliance with college training requirements without timely access to college databases and information. If you have a college Supervisor of Training who is very good at their job and the college has no concerns from an accreditation point of view, hospital management does not tend to be told anything about the status of compliance and realistically does not need to know.
46. From a systems point of view, there needs to be a process for any college to escalate their concerns to hospital management when there is an issue, rather than waiting and making adverse findings at an accreditation visit, or only raising issues with local college supervisors.
47. The College raised concerns about bullying of trainees as part of later accreditation discussions but would not provide details of those allegations. We had no idea of such allegations of bullying. SGH management met multiple times with the trainees and the only issue that was raised was a minor issue between the trainees themselves where a more senior trainee was cherry picking the roster to the disadvantage of other trainees. We all understand that the wellbeing of trainees is paramount, and that there are confidentiality issues, but from a systems perspective being told that there is a problem, without being told any specific details of the problem, makes it difficult to investigate. As the JMO Complaints Manager for SESLHD, I had never been made aware of any bullying issue within the Medical Imaging Department of SGH.
48. From a systems perspective, if a trainee makes a complaint to a college but does not give consent for that information to be provided to the site or facility, that complaint should not form part of accreditation decisions as to do so would deny the site or facility procedural fairness, given that the site or facility would be unable to investigate and respond to the complaint. As trainees may be reluctant to raise concerns about the conduct of senior members of their department due to fear of it impacting adversely on

their training, it would be helpful if LHDs provided information on the role of the JMO Complaints Officer in NSW LHDs to Colleges.

49. Additionally, it is noted that at a site visit that took place before implementation of the new model, the challenges with recruitment and retention of staff specialists were discussed, together with the College mandated number of radiologists. At the meeting on 9 November 2023, the Chief Accreditation Officer, Faculty of Clinical Radiology of the College told Dr Boss that SGH needed to recruit more doctors, and the way to do that was to pay them more. Dr Boss was at that time paying radiologists as guaranteed level 5, and there was no legitimate way of paying them any more. This was already an over Award payment. The person from the College who made that comment is no longer in their role. The current person in that role is far more collaborative and appreciative of the workforce pressures.
50. When we did recruit more radiologists, SGH did not seem to be given any credit for that by the College, because they were VMOs rather than staff specialists. It was my impression that the College did not understand the new model.



 Dr Jo Karnaghan

8 November 2024

 Date

Alanna Kennedy

 Witness: [insert name of witness]

8 November 2024

 Date