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Special Commission of Inquiry into Healthcare Funding

Witness Outline

Name: Derek Francis

Occupation: General Manager, Bogan Shire Council

1. This is an outline of the evidence that it is anticipated that the witness will give to the Special Commission of Inquiry into Healthcare Funding.

A. Bogan Shire Council

2. I am the General Manager of Bogan Shire Council located in the Orana region of New South Wales. I have been in this role for 13 years with a total of 35 years' experience in the local government industry.
3. Bogan Shire Council operates facilities commonly associated with the regular business of local government however, we also own and operate the Bogan Shire Medical Centre in Nyngan (**'the Medical Centre'**).

B. History of the Medical Centre

4. The Medical Centre was established in May 2017.
5. The Medical Centre was established by the Council with the impending retirement of two long-term local General Practitioners (**'GPs'**) in Nyngan and the existence of barriers for GPs to establish their own practices. Recognising the need for locally accessible primary, allied and specialist healthcare services and being unable to identify and attract a service provider through a public tender process to run a new practice, the Council took on establishment and operation of the Medical Centre.
6. The Medical Centre is a successful community led and owned multidisciplinary primary care practice serving our population of 2,467. Despite good billing practices, operating a medical practice in rural NSW has come with significant financial and staffing challenges.
7. Nyngan's NSW Health facility (Multi Purpose Service) is mainly responsible for emergency, in-patient and residential aged care services and does not have a full time on-site GP. There

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is also no Aboriginal Community Controlled Health Organisation in Nyngan, which has a relatively high Aboriginal population of 17.8% compared to national average of 3.2%.

8. The Council therefore saw a need to take steps to ensure that the community had access to locally accessible primary, allied and specialist healthcare services, with the alternative being a 4 hour round trip to Dubbo for patients. This is particularly important given the higher rates of high burden conditions prevalent in our community, including diabetes, heart, stroke and vascular disease with higher rates of hospitalisations than metropolitan areas.

C. General Practitioners and Locums at the Medical Centre

9. We have had a succession of five longer-term contract GPs employed at the Medical Centre since it opened with gaps being filled by GPs supplied by locum agencies. Recently, one of our two contract GPs left for personal reasons and one for reasons associated with family visa issues. He has since returned but the second GP FTE is being filled through locum agencies at present. Anecdotally, we understand that GPs no longer want to deal with the pressures that come with owning a medical centre, such as staffing issues, billing, and insurance.
10. Initially, contract GPs at the practice were employed on a percentage of billings basis, which was standard practice at the time. Discussions with the last three prospective GPs have shown that the market has now moved to contracts based on daily rates rather than a percentage of billings basis. As a result, our employment contracts for GPs now include remuneration on a daily rate.
11. The locum GPs that come to the Medical Centre are paid a flat daily rate via a locum agency arrangement. Having said this, a recent independent review of billings shows the Medical Centre is in line with the better performing similar practices as far as billings per FTE GPs are concerned and even better considering it is a 100% bulk billing practice.

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12. We understand that from a clinician's perspective, there is significant benefit for some individuals in being a locum around flexible working arrangements.
13. When we first started using locums at the Medical Centre the locum GP daily rates were approximately \$1,400 a day, plus travel and expenses for each locum. The cost of locum GPs is now approximately \$1,800 a day, plus travel and expenses. To be clear, the Medical Centre pays for a locum GPs travel to and from Nyngan, house locums in council-owned accommodations and provide them with a Council vehicle for local use. The cost of engaging GPs in the Medical Centre is approximately \$1 million for the 2024/2025 financial year.
14. We have built up a good relationship with local agencies and have a good reputation with a core of locum GPs who we engage on a rotational basis. We currently have about a dozen preferred GPs to work as locums in the Medical Centre, and they come from all over Australia for anywhere between 2 weeks to 3 months at a time. We also work closely with the Rural Doctors Network to assist with recruitment.
15. In 2018 we explored a Shared Medical Workforce Model of Care with the Western New South Wales Local Health District ('the LHD') which involved a shared locum GP/Visiting Medical Officer ('VMO') model of care between the Nyngan MPS and the Medical Centre.
16. In 2020 an alternative funding arrangement for the provision of VMO services by the Medical Centre at the Nyngan MPS was discussed. However, the Medical Centre did not have a GP at the time who was prepared to do VMO work.
17. Feedback from GPs over the last seven years has been that some are interested in VMO work and some are not. Council originally made it a condition of employment at the Medical Centre that GPs did VMO work but changed this position so as not to jeopardise our chances of attracting and retaining GPs on contract.
18. In 2023 some discussions were held with the Local Health District about the Single Employer Model (SEM) under which Registrars are employed by the LHD and work in the local General

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Practice. At the time, the Medical Centre did not have the capacity to take on a Registrar, but this option will be re-visited.

19. The Medical Centre is a true community owned and controlled practice. The community has direct influence over the range and quality of services provided through access to the Shire General Manager and Councillors. In a small remote community, these officials are well-known and accessible to the community for them to provide regular feedback.

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Date: 10 May 2024

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