

Special Commission of Inquiry into Healthcare Funding

Statement of Dr Paul Craven

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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 as a witness. The statement is true to the best of my knowledge and belief.

My role

2. My name is Dr Paul Craven. I am the Executive Director of Children, Young People and Families, Medical Services and of Networks and Streams, Hunter New England Local Health District (**HNELHD**).
3. In this role, I am responsible for managing and leading the Hunter New England Children, Young People & Families (**CYPF**) Services, including those of the John Hunter Children's Hospital (**JHCH**) and Community and I host the NSW Child Health Network Northern. I am also the Executive Director of Medical Services in HNELHD and the Executive Director of Networks and Streams in HNELHD.
4. This outline addresses:
 - a. The operation of the JHCH through the CYPF Network;
 - b. JHCH's relationship to the Sydney Children's Hospital Network (**SCHN**);
 - c. Differences in funding of JHCH to that of other dedicated children's services;
 - d. Inequities and challenges of delivering specialty children's services for rural and regional communities; and
 - e. Difficulties of implementing the recommendations of the '*Review of health services for children, young people and families within the NSW Health system*' (**Henry Review**).

Operation of JHCH Network

5. JHCH is one of three children's hospitals in NSW and operates a specialised tertiary referral paediatric hospital in Newcastle, located within John Hunter Hospital (**JHH**) within HNELHD. JHCH provides complex medical, surgical, major trauma, intensive care (**PICU**) and neonatal care services (**NICU**) for Northern NSW. JHCH also provides the acute level 4 paediatric and community services for Newcastle, Lake Macquarie and Port Stephens.
6. The other two children's hospitals are The Children's Hospital at Westmead (**CHW**) and Sydney Children's Hospital (**SCH**) which form the SCHN. JHCH has a good working relationship with the SCHN however does not form part of the network and remains operationally managed by HNELHD. JHCH has existed as the third Children's Hospital since 1995.
7. JHCH primarily provides paediatric services to HNELHD as well as other Local Health Districts (**LHD**) within Northern NSW, including Central Coast (**CCLHD**), Mid-North Coast (**MNCLHD**) and Northern NSW LHD (**NNSWLHD**). JHCH is not involved in operational management of these LHDs, which remain locally managed. There are also some tertiary services that JHCH does not provide, including cardiac surgery and complex plastic surgery, which are only serviced through the SCHN.
8. In addition to the provision of tertiary services, JHCH also serves as a local paediatric service providing level 4 care to the population of Newcastle, Port Stephens and Lake Macquarie.
9. Within HNELHD, JHCH operates at the centre of the CYPF Network, known as HNEkidshealth. HNEkidshealth integrates a range of health care services to babies, children, young people and their families. The Network operates across a range of hospitals within HNELHD. The organisational structure of HNEkidshealth is annexed to this outline and marked Annexure "A".
10. HNEkidshealth operationally manages JHCH and the level 4 Paediatric Services, as well as Community Services based in Newcastle. JHCH operationally provides tertiary services to northern NSW. Other paediatric Services in HNELHD refer for tertiary care to JHCH. Paediatric services in MNCLHD, NNSWLHD and CCLHD will refer sick and injured children for specialised care at the JHCH. JHCH provides general level 4 care, as well as community and outpatient services to local children and their families from a

catchment area of Newcastle, Lake Macquarie and Port Stephens. The JHCH is governed by the JHCH Executive team (see Annexure A).

JHCH's relationship with SCHN

11. JHCH is within the clinical governance structure of HNELHD and does not form part of the SCHN. As already noted, JHCH has a good working relationship with SCHN. The Executive of both organisations have monthly strategic meetings to discuss service delivery, quality and local operational issues that may have statewide effects. SCHN and JHCH have advocated for service enhancements in some specialised areas, such as Virtual Care, Palliative and End of Life Care and Gender Services. There is no centralised planning of tertiary paediatric services in NSW, beyond some areas of special funding and supra-regional services. Joint meetings are important to ensure the three children's hospitals work collaboratively to provide tertiary care to children and their families in NSW.
12. SCHN and JHCH also jointly deliver a range of services, including virtualKIDS Urgent Care Service, Trans and Gender Diverse Services and Palliative and end of life care services.
13. Both JHCH and SCHN are members of Children's Healthcare Australasia. Our joint participation strengthens the relationship between JHCH and SCHN and increases communication. Both JHCH and SCHN are members of the Children Young People and Families Executive Steering Committee, hosted by NSW Health.

Funding of JHCH

14. JHCH is funded as a paediatric service within HNELHD rather than as a tertiary children's hospital. For example, unlike SCHN, JHCH does not have dedicated funds for essential paediatric subspecialties, such as paediatric cardiology, infectious diseases and nephrology.
15. JHCH competes for funding with other services in HNELHD's budget and HNELHD has advocated for greater budget allocations for paediatric services through increased activity. Although growth in activity should translate to increased National Weighted Activity Unit (NWAU) allocations, the increased funding is incremental which creates challenges for investing in services and growing the workforce now, to provide such services.

16. JHCH has had some success in obtaining dedicated funding for a number of specialised services, including enhancements in gender, palliative care and chronic pain. These services provide statewide care for children and have garnered dedicated state-based funding for JHCH, as well as SCHN. Our geographic areas of care for these services have been delineated. Challenges persist for funding of tertiary services provided statewide by the 3 children's hospitals, such as paediatric oncology, gastroenterology, immunology (where funding is allocated from either SCHN (a dedicated paediatric provider) or HNELHD (a general provider of adult and paediatric services)).
17. Additionally, JHCH provides some services jointly with SCHN, including palliative care and virtualKIDS Urgent Care Service. These services have been funded up front to attract staffing and then provide activity. Some special funding gets allocated direct to JHCH and some funding goes via SCHN and then we advocate and agree on a split of funds.
18. In 2019, the Henry Review recommended that the Children's Healthcare Network Northern Region be expanded to include CCLHD and accordingly, funding should be transferred to JHCH to implement this expansion. There has been no dedicated funding allocated to JHCH to care for tertiary patients from the Central Coast attending JHCH, apart from specialised funding detailed above. Thus, established tertiary services in JHCH have sufficient capacity to provide for HNELHD, MNCLHD and NNSWLHD, but have not got the funding to provide a service for the increased capacity from CCLHD.

Inequities and challenges

19. Several inequities and challenges exist in the delivery of speciality children's services across rural and regional communities in NSW. A primary issue is the delivery of care across a large geographic area. HNELHD covers a geographic area of 130,000sqkm and provides care for 1 million people. For children, care close to home is important so providing outreach services to these children is often not possible due to small team size and excessive demands at the base hospital, JHCH.
20. JHCH has limited paediatric beds and limited opportunity for growth as it forms part of JHH and the expansion of JHCH has not been part of the stage 1 redevelopment of JHH, apart from NICU and PICU expansions. JHCH has space allocated within a large tertiary adult hospital and is not an identified entity. JHCH is often working at capacity and because it operates as a tertiary children's hospital the more complex patient care is

conducted at this site. There is increased demand for outreach services from the tertiary hospital to regional hospitals serviced by JHCH.

21. HNELHD also services a diverse population, being the LHD with the highest number of Aboriginal people in NSW. 1 in 5 babies born last year in HNELHD identified as Aboriginal. JHCH is committed to closing the gap but is limited in what Aboriginal specific services can be offered, due to restricted numbers of clinicians within specialised teams.
22. Further challenges and inequities include:
 - a. Resourcing of children's services when competing for budget within a mixed adult/paediatric LHD.
 - b. Limited opportunity for JHCH to increase bed capacity. As previously mentioned, JHCH is within JHH. As a result, it has limited capacity to expand and meet the needs of the regional community it serves, particularly as a specialist children's hospital servicing a large geographical area. Our paediatric wards are always utilised and operating at capacity. During the day our adolescent ward operates as "day stay" unit and at night transforms into sleep labs. Because of the difficulties posed with bed capacity and physical space, it restricts the services that can be offered at JHCH. The hospital was also built in 1991 and with no capacity for expansion this limits what tertiary care we can provide. For example, high end tertiary level surgeries are prioritised to be performed at JHCH and secondary level surgeries are often moved to be performed at Maitland Hospital and Tamworth Hospital where there are no specialised paediatric theatres, and it results in a limited paediatric staffing resource being distributed across multiple sites. To address space needs, JHCH has now divided services and those are hosted over more than 5 separate sites in the Greater Newcastle region, further dislocating small operational teams.
 - c. JHCH supports a district wide service that in effect, provides statewide care for children of northern NSW. Due to the large geography and diverse population, many of our staff travel to provide services regionally, which leaves JHCH with staff shortages. Where local providers do not exist or cannot meet the needs of its community, it increases demand on JHCH. For example, many regional areas do not provide maternity care, which results in JHCH providing more care to babies as it cannot be provided locally.

Henry Review Recommendations

23. The Henry Review recognised that JHCH should formally service the CCLHD rather than the SCHN serving the CCLHD. I understand SCHN are in agreement with this change. Accordingly, the Henry Review recommended that funding moves to provide such care. Although we could service the CCLHD and generate activity to achieve ABF funding, with a small staffing profile currently, it would be impossible to add patients from CCLHD to our already lengthy wait lists, likely resulting in no opportunity of seeing these children given our small teams of specialists.
24. By servicing the CCLHD, it would add an additional 350,000 people to the population HNELHD is required to service and would increase our workload substantially. For example, the demand for gastroenterology services would increase by 25% which is a large increase for a service that already has long waitlists. Any change in increasing the population JHCH services should also be met by increased funding. JHCH believes it is right for us to provide tertiary care to the children, young people and families of the Central Coast. It is important to do this as close to home wherever possible. However, we need the appropriate physical space, the right number of specialist medical, nursing and allied health teams and the appropriate level of funding to do so successfully.

p craven

Dr Paul Craven

L Shields

Witness:

07/06/2024

Date

07/06/2024

Date