Special Commission of Inquiry into Healthcare Funding

Submission Number: 127

Name: ForHealth

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ForHealth

Submission into NSW Special Commission of Inquiry into Healthcare Funding

About Us

ForHealth is the largest primary healthcare provider in New South Wales.

Our mission is accessible healthcare, and our network promotes access in some of Australia's most health vulnerable communities in outer metropolitan, regional and remote Australia. In NSW we serve ~3m million consults p.a. through 32 large scale medical centres. Our services include General Practice, Dental, Specialists, Imaging, Pharmacy and Pathology.

ForHealth is the local leader in *Urgent Care Clinics* that triage Emergency Departments (ED) presentations at one-third the taxpayer cost. We have 19 government funded sites in areas of need, with 4 located in New South Wales. This number will grow to >30 sites this year.

Executive Summary

To meaningly address issues in the NSW health system, the Special Commission of Inquiry into healthcare funding must look at the relationship between primary care and hospitals.

ForHealth strongly supports the rollout of 25 state-funded Urgent Care sites in NSW. Urgent Care is an internationally proven, cost-effective way to reduce ED pressure. ForHealth also supports a close collaboration between State and Federal governments on Health policy and funding given the importance of a strong primary healthcare sector to the hospital system.

We observe severe health inequality across New South Wales health system:

- Before the recent federal budget, the Medicare Benefits Scheme (MBS) saw a 35% pt decline over 10 years in "real" terms *accounting for Healthcare Cost Inflation.* Bulk-billing and after-hours access has collapsed as a result.
- Access is skewed to affluent, urban populations which have almost double the GPs per 1,000 residents as Outer Metro, Regional and Rural areas. This will be irreversibly impacted by the recent NSW GP payroll tax ruling.
- The GP workforce outlook is poor with <14% of Medical Graduates choosing General Practice[i] and significant restrictions on International Medical Graduates.
- Impact on Emergency Departments is clear, NSW ED presentations grew 36% over 10 years, with 48% of presentations for 'GP-like' presentations[ii]. An ED presentation is 20x the taxpayer cost of a GP presentation.

Expansion of the primary health care system, particularly through the Urgent Care network, will help take considerable pressure of NSW's hospital system.

Our recommendations:

a. Continued expansion of Urgent Care network for areas with significant ED pressure.
b. Additional Urgent Care capacity for high demand sites using Nurse Practitioners.
c. Additional Urgent Care scope and services to support ED system (e.g. Emergency Dental, Emergency Mental Health).
d. Funded IMG Supervisors in regional / remote areas with extreme workforce shortages.
e. Payroll tax exemption for General Practice. Otherwise, follow QLD precedent with amnesty period and clarity on NSW GP payroll tax ruling.

Inquiry Term of Reference:

C. The way NSW Health funds health services delivered in public hospitals and community settings, and the extent to which the allocation of resources supports or obstructs access to preventative and community health initiatives and overall optimal health outcomes for all people across NSW

ForHealth is Australia's leading Urgent Care provider with 19 sites operating nationally (as at 31 October 2023) and further sites in the pipeline for both the Federal Government rollout and State Government rollout.

This service delivery is proven to be effective in Australia and abroad:

- Internationally proven model in New Zealand, United Kingdom and Canada.
- ~48% of ED presentations in NSW are addressable in Urgent Care Clinics.
- The cost to taxpayers is 3x less when delivered in UCC vs a non-admitted ED visit
- Results from 6x ForHealth Urgent Care services in Victoria illustrate the effectiveness of this model (Priority Primary Care Centre)
  - >40k patients treated in less than one year of operation across 6 sites
  - ~60% of patients would have otherwise visited ED
  - 34-minute median wait time to be seen by GP
  - 9 out 10 patients highly recommend the service.

NSW Urgent Care services will prove to be a cost-effective way for the government to reduce ED burden. These sites are also a great way for people without a regular GP to access preventative care. 16% of patients in ForHealth's Victorian PPCCs did not have a regular GP, and as such ForHealth was able to find them a GP for their ongoing care.

Inquiry Term of Reference:

H. New models of care and technical and clinical innovations to improve health outcomes for the people of NSW, including but not limited to technical and clinical innovation, changes to scope of practice, workforce innovation, and funding innovation.

The NSW Government is investing in a statewide Urgent Care network, which can become the backbone of future investment into community health and reducing hospital congestion. These sites are typically large with radiology, pathology, dental and allied services co-located. Urgent Care sites have a direct line to the local Emergency Department. Leveraging these existing sites for future health services will:

- Save on required funding
- Reduce healthcare fragmentation
- Utilise the established triage line to Hospital

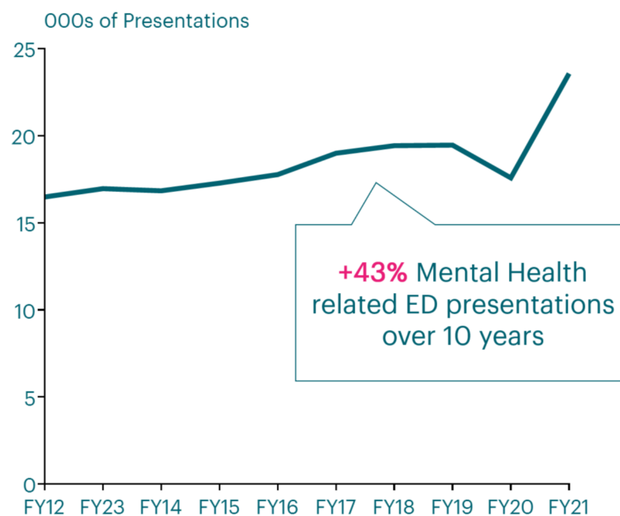
Dental Urgent Care:

~1-2% of Emergency Department presentations are for dental conditions, which typically receive pain relief and referral to either a government funded clinic (with long wait times) or private clinic. There has been a systemic increase in preventable dental ED presentations, +43% in 10 years[iii].

There are now ~25k avoidable dental presentations to EDs in NSW each year, which is a considerable burden on the already stretched healthcare system. Many of these patients are 'frequent flyers' to the hospital system as they return for further pain relief and wait wait for available dental, at a cost >2x a Dental standard appointment.

The NSW Government could leverage dental services that are co-located with Urgent Care Clinics, to deliver timely, cost-effective treatment. Instead of going to hospital, a patient could then go to a UCC and be triaged to the dental clinic.

Illustration 1 – NSW Avoidable Dental Presentations, FY12-21



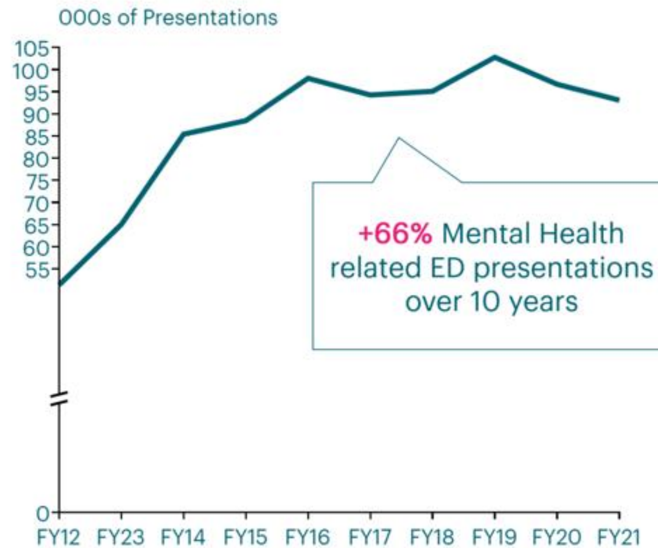
Mental Health Co-located Service:

Mental Health ED presentations have risen in NSW by +66% in 10 years[iv]. The impact of Mental Health issues skews to the most vulnerable, with the most disadvantaged quintile of NSW residents 1.6x more likely to face psychological stress.

Conversely it is these areas, and in particular outer metropolitan and regional areas, that have the least access and are most impacted by the non-viability / scarcity of bulk billing mental health services.

Adding Mental Health services for patients in distress to Urgent Care clinics located in disadvantaged communities will help reduce these ED presentations at low cost.

Illustration 2 – NSW Mental Health ED visits, FY12-21



Inquiry Term of Reference:

F. The current capacity and capability of the NSW Health Workforce to meet the current needs of patients and staff, and its sustainability to meet future demands and deliver efficient, equitable and effective health services, including:

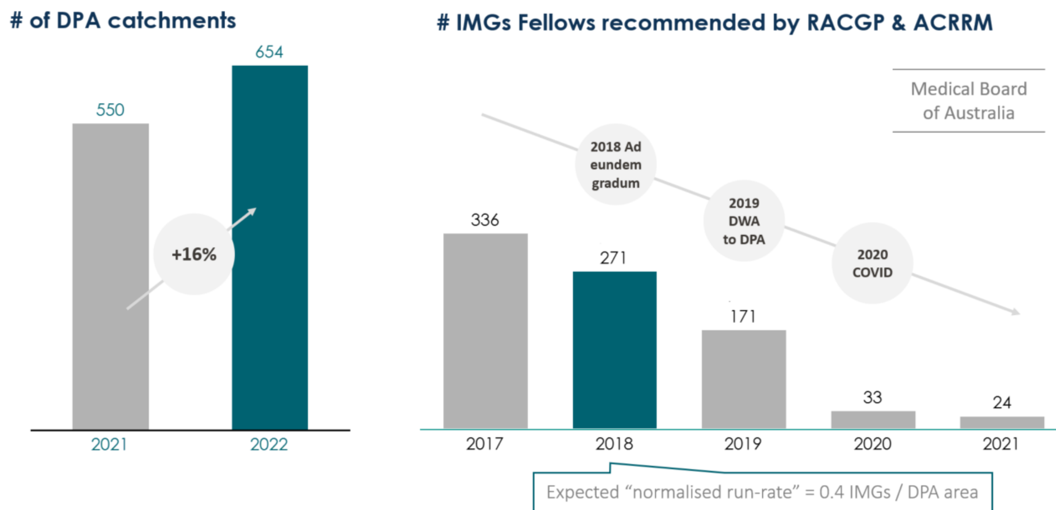
G. Current education and training programs for specialist clinicians and their sustainability to meet future needs

There is a significant GP workforce shortage in New South Wales, skewed towards lower socioeconomic, outer-metropolitan and regional communities.

These shortages have been driven by the continuing divergence of supply and demand for primary care. Whilst demand continues to grow as the population ages with increased incidence of chronic disease, supply has been constricted. Less than 14% of domestic graduates now choose General Practice as their preferred specialty, and those that do often choose to work in highly affluent areas where they can charge private fees.

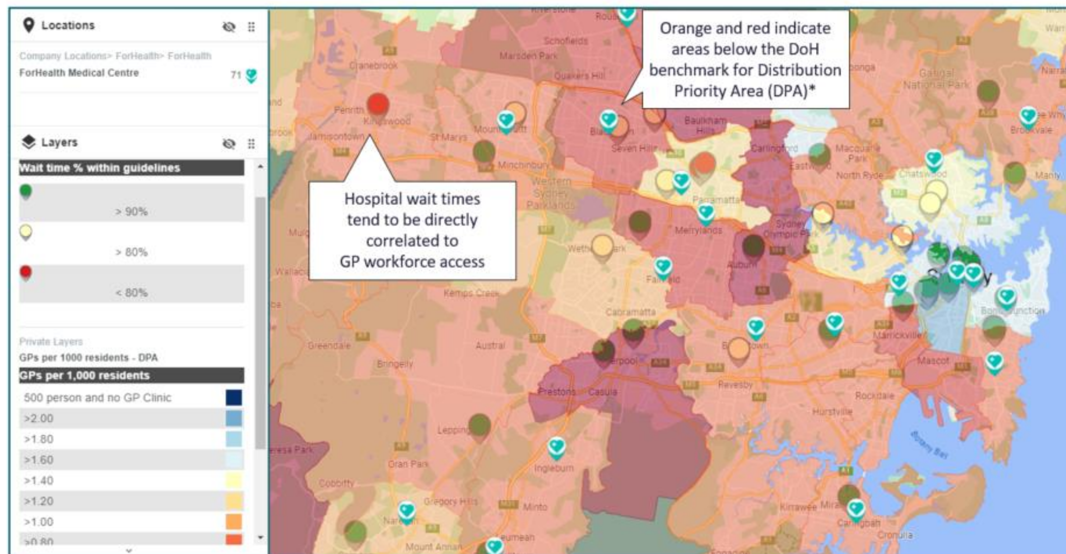
Not only has the domestic pool of GPs been constrained, but the inflow of International Medical Graduates has also reduced significantly in the past 5 years. This is due to policy changes by the specialty colleges (e.g. removal of ad eundum gradum), the shift to Distribution Priority Areas (DPA) policy, and the impact of the Covid-19 pandemic.

Illustration 3 – Australian DPA catchments & IMG recommended intake



There are significant distributional issues with General Practice workforce. Highly affluent areas (Mosman, East Sydney) have a much larger supply of GPs per capita than lower socioeconomic areas (Penrith, Liverpool). This has downstream impacts on the hospital network, hospitals struggling to see Category 4/5 presentations within recommended waiting times are typically located in areas of GP shortages.

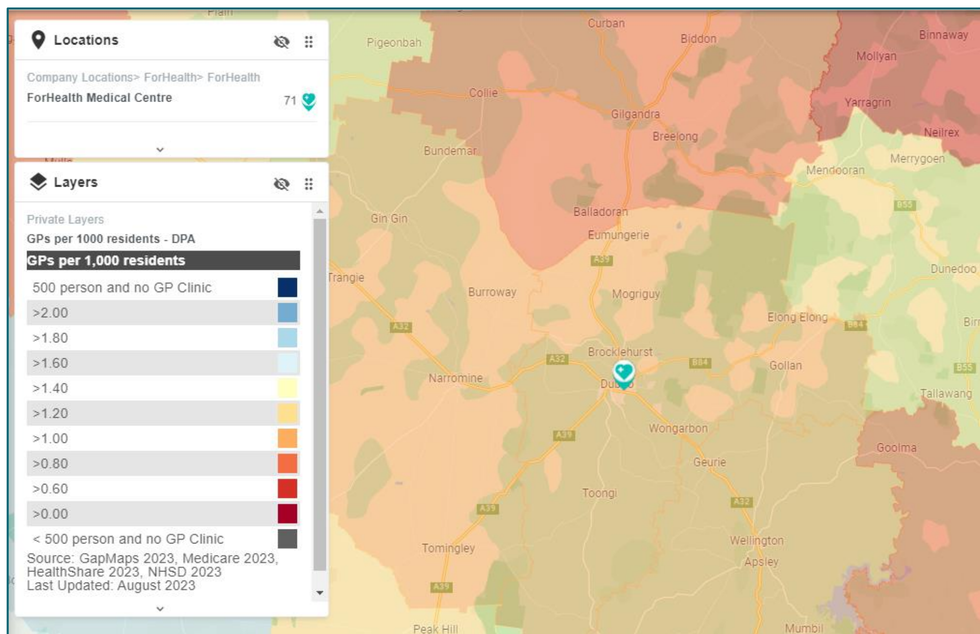
Illustration 4– Heatmap of Sydney GP Workforce Distribution



Note: Healthshare data mapped by GapMaps; *This benchmark of 1.1 GPs / 1000 residents indicates where the DOH considers GP access insufficient and requires DPA classification to allow IMGs (International GPs) to work in the area

In addition to GP shortages, rural and regional areas face the additional challenge attracting and incentivising supervisors for International Medical Graduates, particularly supervisors for IMGs that require Level 2 supervision. One option available to government is to fund supervisors in regional areas with GP shortages – this will help practices support IMGs and build workforce in these areas. For example, Dubbo, NSW is an area with <1 GP FTE per 1,000 residents, funding for a level 2 IMG supervisor would result in 4x additional IMGs into the local workforce.

Illustration 5– Heatmap of Regional Western NSW (Dubbo)



Note: Healthshare data mapped by GapMaps; *This benchmark of 1.1 GPs / 1000 residents indicates where the DOH considers GP access insufficient and requires DPA classification to allow IMGs (International GPs) to work in the area

Inquiry Term of Reference:

I. Any other matter reasonably incidental to a matter referred to in paragraphs A to H

The recent ruling by the NSW SRO on 11 August 2023[v] will have serious consequences for the healthcare system in NSW. If payroll tax is applied to payments related to independent GPs who operate their own practice in the medical centres, the margin on a standard bulk-billed GP appointment will drop from ~5% of Gross Billing to ~-8%. To offset this impact and avoid closures, fees would need to increase by ~$11 (25% increase on the average gap). The result of this will be the collapse of bulk billing rates across NSW and intensifying pressure in Emergency Departments.

The negative health impacts of this would be most acutely felt in disadvantaged areas (e.g. Western Sydney) where bulk billing rates are still high (~85% of patients in Western Sydney have all GP appointments bulk-billed[vi]). Furthermore, Western Sydney communities that do not have access to international medical graduates (IMGs), will face significant distribution issues as practitioners shift to more affluent, inner-city areas to privately bill.

The NSW government should exempt General Practice from payroll tax. However, if this is not viable, The Government should follow the precedent set by the Queensland Government, which:

1. Granted a payroll tax amnesty for GP clinics which was done given “potential lack of awareness” (NSW ‘pause’ does not give clinics certainty).

2. Clarified ruling to better reflect Judge Leeming’s Obiter Dictum in *Thomas and Naaz*.

References

[i] RACGP Health of the Nation Report, https://www.racgp.org.au/general-practice-health-of-the-nation-2022

[ii] AIHW Emergency Department Care, https://www.aihw.gov.au/reports-data/myhospitals/sectors/emergency-department-care

[iii] AIHW Dental & Oral Health, https://www.aihw.gov.au/reports-data/health-conditions-disability-deaths/dental-oral-health/overview

[iv] AIHW, https://www.aihw.gov.au/mental-health/topic-areas/emergency-departments

[v] Revenue NSW, https://www.revenue.nsw.gov.au/help-centre/resources-library/rulings/payroll/pta-041

[vi] Department of Health, https://www.health.gov.au/resources/publications/medicare-statistics-per-patient-bulk-billing-dashboard-2022-23?language=en