

Who cares for our health?

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INTRODUCTION

West Coast Health and Community Service Ltd (WCH&CS) is located on the West Coast of Tasmania and provides a mix of services to the communities of Tullah, Rosebery, Zeehan, Strahan and Queenstown. These communities are about 45 minutes apart and are mining and tourism based.

In June 2000 a health needs assessment of Tullah, Rosebery and Zeehan was commissioned by the health department and WCH&CS and as a result of thirty-six (36) specific recommendations were made. These were condensed into sixteen key recommendations with a change manager/administrator appointed to implement the recommendations over a six month period from January 2001.

The writer was engaged to effect the change over that period and this occurred. The writer was then appointed as the Chief Executive Officer in an endeavour to continue to improve operational performance, breakdown local community barriers and to where ever create some leverage points to strategically place WCH&CS in a position of influence. Six months then became 2 years.

DEMOGRAPHIC ANALYSIS

In 1991 the Australian Bureau of Statistics indicated there was a population of 7629. This declined by 16.9% in 1996. Overall there has been an absolute reduction in population of 27.7% for the period 1991-2001.

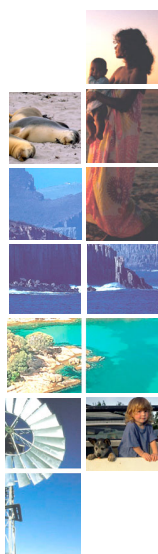
SOCIO-ECONOMIC STATUS

Despite the West Coast population being among the highest income earners in the state at least one third of the entire West Coast population is in receipt of some form of welfare assistance or benefit. There is however a significant dichotomy masked by the lack of differentiation in housing and living conditions.

THE FORMATION OF WEST COAST HEALTH AND COMMUNITY SERVICE LTD

Pre August 1997

Rosebery Community Hospital (RCH) was a state health department owned 7 Bed Acute Hospital providing 24-hour emergency care. The hospital is located at the entrance of the Pasmaenco mine.



West Coast Council (WCC) on behalf of the population of the West Coast received funding from the State and Commonwealth Governments in various funding and other program streams to provide the following services:

- family support
- occasional child care
- crisis accommodation and referral service
- aged and disability care
- community housing.

The community housing was managed by default and as a direct result of the Zeehan Development Group obtaining Bicentennial Grant Funding to purchase cheap housing from the Renison Bell Tin Mine for the lower income earners located in Zeehan.

Post August 1997

RCH as a result of the health department publicly declaring its desire to close RCH the operational management was handed over to the WCC to avoid closure.

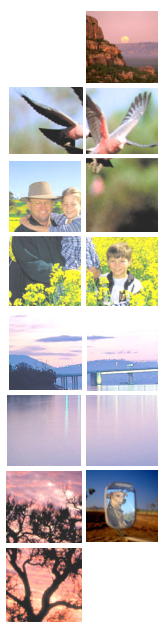
This was as an outcome of intense political debate and public pressure. WCC on behalf of its ratepayers volunteered to take over the management and while admirable they had no understanding of acute care delivery, especially the provision of nursing and medical services.

Throughout the negotiated transfer period the full cost of running the hospital was undetermined and WCC lacked the insight to understand the hidden or true costs of running an acute hospital. WCC were also unaware that some items outlined in the 5 year service agreement with the health department were effectively non-negotiable.

One case in point was the provision of general and pharmaceutical supplies. The health department via NorthWest Regional Hospital (a health department facility located in Burnie and the previous RCH management) provided all of the supplies. It was considered that by industry standards the costs of these items were not as competitive as if a competitive process had been able to be applied. Therefore at a financial disadvantage.

WCH&CS remain locked into the 5 year service agreement.

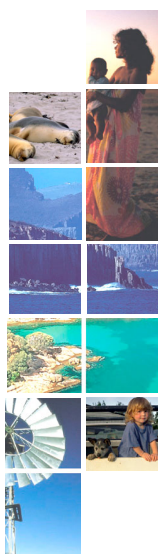
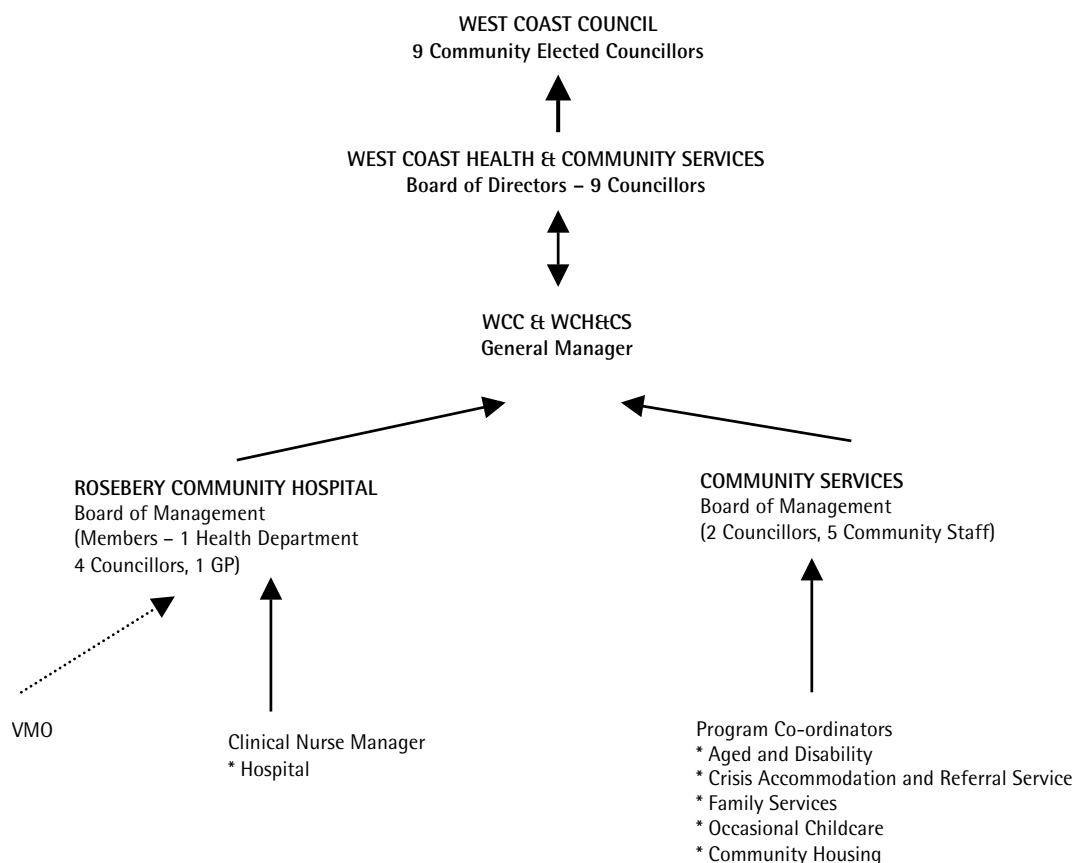
Other funding aspects lacking in the original agreement included the leasing of the hospital. Through a convoluted process involving numerous state departments such as: the Department of Premier and Cabinet; the Department of Treasury and Finance; the Department of Primary Industries Water and Environment; and the health department, via Grants and Contracts, WCH&CS was invoiced \$45,000 annually for the lease of the hospital. WCH&CS cannot pay this invoice until such time it is funded through approvals from these departments to do so. This arrangement continues until this day.



WCC formed West Coast Health and Community Services as a company limited by guarantee and operated by a Board of Directors (9 Councillors). All the WCC health and community types of services were brought under the umbrella of WCH&CS.

The General Manager of the council was then responsible to the Board of Directors for the management of WCH&CS.

THE STRUCTURE 1997–2001



THE 2000 CRISIS—PENDING INSOLVENCY

Impending insolvency was identified in May 2000. As WCH&CS was as a company limited by guarantee it was unable to continue trading if it was aware that it could not pay its debts as they fell due. Thus, in effect, the corporation’s law would be breached if the company, (WCH&CS) were to continue trading. This situation was slowly evolving since the handover of the hospital from the health department to the council.

Why did this occur? There was an inappropriate management structure further complicated by poor integration of services and a lack of executive staff understanding of health care delivery. More specifically, the management of an acute hospital that involved working with health professional staff especially in matters of professional



codes of conduct, professional standards and clinical issues verses budget prudence. The latter two points being extremely serious at the time resulting not only in pending insolvency but also having to deal with serious issues of professional misconduct.

A secondary aspect to WCH&CS crisis was not only the original five-year service agreement and those key factors listed above but also the limited amount of support for WCH&CS from the health department.

It appeared to be that when it suited the health department the hospital under the banner of WCH&CS was considered to be a “private” hospital. When it did not suit the health department it was considered as one of the rural facilities under the Aged Rural and Community Health program. As an example when issues such as non-compliance with waste management were being investigated the hospital was locked into the overall health department agreement with limited consultation with WCH&CS.

THE TULLUH, ROSEBERY AND ZEEHAN HEALTH NEEDS ASSESSMENT

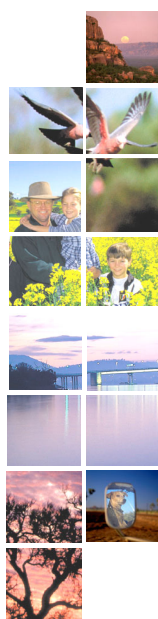
In May/June 2000 WCH&CS, WCC and the health department commissioned a Health Needs Assessment of the Tullah, Rosebery and Zeehan communities. This also involved an operational and financial review of the hospital re its ongoing viability. It is understood also that the Commonwealth as part of the Regional Solutions Program provided the funds for the Health Needs Assessment and the health department funded the operational review of the hospital.

The aims of the review were to:

- develop an operational budget and sustainable service model for the hospital within the existing resource allocation
- enable WCH&CS to reassess its service based on its capacity to pay, given the limited resources available to the company overall
- define the health needs and concerns of the communities of Tullah, Rosebery and Zeehan.

In terms of the assessment it was becoming evident that all was not well on the West Coast especially the provision of health care. There was an environment of suspicion especially when it came to the involvement of the health department and the hospital given the past attempt to close the hospital. Understandably it was felt by those concerned that the hidden agenda was to close the hospital by stealth.

There were also expressions of concern that the health needs assessment was only being undertaken in the northern communities of the West Coast and did not incorporate the southern communities of Strahan and Queenstown. Some felt this would only continue to fuel the already evident community divisions.



Recommendations

Thirty-six specific recommendations were made. These were then condensed into 16 key recommendations to be introduced by a Change Manager/ Administrator over a 6 month period.

The key recommendations included the need to:

- Develop strategies and submissions to seek funding from various sources including the Commonwealth Regional Health Solutions Program;
- Restructure the WCH&CS in terms of its governance and to appoint a Chief Executive Officer to ensure that WCH&CS develops an integrated service model that is:
 - customer focused
 - promotes the provision of quality services
 - cost-effective and efficient
 - provides equitable service provision into the future.

Resulting in

A Change Manager/ Administrator being appointed in January 2001 to action the 16 key recommendations.

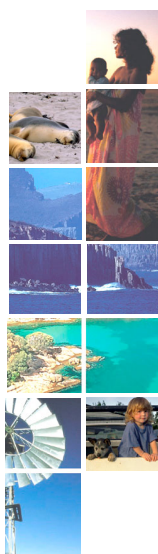
This resulted in a new way of doing business and new relationships.

There was the drafting of a WCH&CS constitution, which was underpinned by corporation's law, and a memorandum of understanding (MOU) that clearly spelt out the relationship between the company owner, WCC and the company itself. This was a basic step forward and a key necessity in order that the council and the new WCH&CS Board of Directors understood their obligations, their boundaries, and the separation of responsibilities and duties.

The purpose of the MOU more specifically, was to enable the new WCH&CS Board of Directors to make decisions, whether palatable or not, without being influenced by the councillors based on their local political agendas that seemed to benefit individual West Coast communities. In other words the Board was able to make decisions about the delivery of health care from a wider perspective benefiting the entire West Coast rather than from a local community perspective.

Another key plank of the change was to actually appoint a skills-based Board of Directors. This occurred in June 2001 following an intensive recruitment and selection process, which was considered by some members of the community as being too selective and not representative of the community's culture and values.

The new skills-based Board of Directors were provided with suitable training and were supported by the Change Manager/ Administrator who was, by then, appointed as the CEO in July 2001. The CEO continued to re-engineer the company and manage the daily operations. This involved ensuring continued financial viability especially as



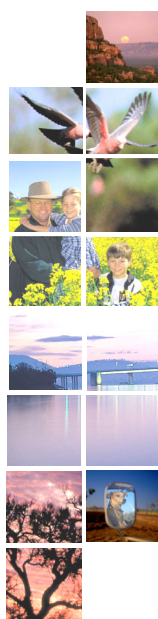
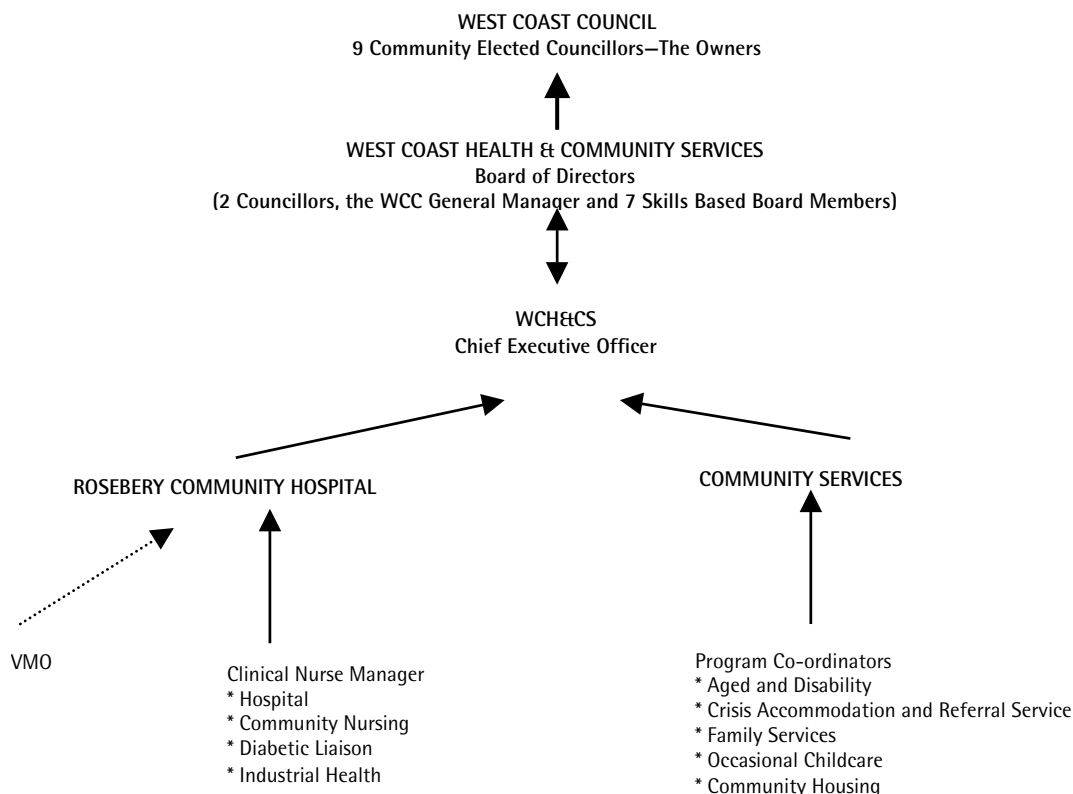
it related to the hospital, and handling the matters relating to professional misconduct and the continued integration of WCH&CS services.

There was also considerable evidence to suggest that the current delivery of health services was predicated on staff needs and community wants. Thus creating a social dependence on the health service rather than empowering clients to be self-determinant and an active participant in the delivery and selection of their own health care.

The task of change also presented those predictable issues and problems of resistance to change. These factors were exacerbated more so in a community with a culture that views all outsiders with great suspicion and vocal members of the community constantly questioned how an outsider could possibly understand the uniqueness of the West Coast community especially their health care needs.

The New Organisational Structure 2001

The most significant aspect of the new organisational structure is the abolition of the previous two Boards of Management reporting to the Board of Directors whom in turn reported to the council. The other aspect was the appointment of a Chief Executive Officer from health background rather than the company (WCH&CS) being reliant on the General Manager whose prime responsibility was local government and not health care.



NEW FUNDS NEW POSTIONS

Following a health needs assessment of the Queenstown and Strahan communities commissioned in June 2001 WCH&CS was allocated \$1.3 million over 3 years to roll out primary care services. This included a full time primary care co-ordinator position, 1.5 EFT youth health worker, a mental health worker, and a specialist rural health social worker. It also provided for an allocation for the expansion of the West Coast community transport network, and an expansion for brokered allied health services.

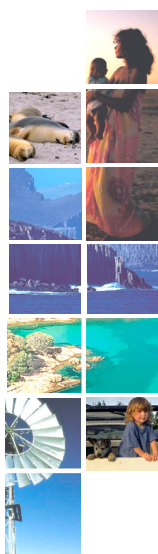
The key aspects, which were identified in the assessment, were similar to those identified in the Tullah, Rosebery and Zeehan assessment. But more specifically the significant gaps in health service provision and the diminishing availability of health and community services especially in relation to the changing demographics and socio economic status of individuals and families living or choosing to live on the West Coast.

While the funding received was very positive it brought with it some interesting challenges especially in relation to the buy in from the southern part of the West Coast especially Queenstown and the other health care providers. The recruitment of an experienced and skilled primary care co-coordinator was essential. It took many months to appoint the right individual. It was considered imperative that for an effective roll out of the primary care program it had to withstand the local politics and community parochialism if the issues of service fragmentation and lack of integration for the whole of the West Coast were to be addressed.

The roll out of the program was not only about the delivery of health care but also about creating a community development process that would strategically bring together the multiple health service providers and other ancillary bodies.

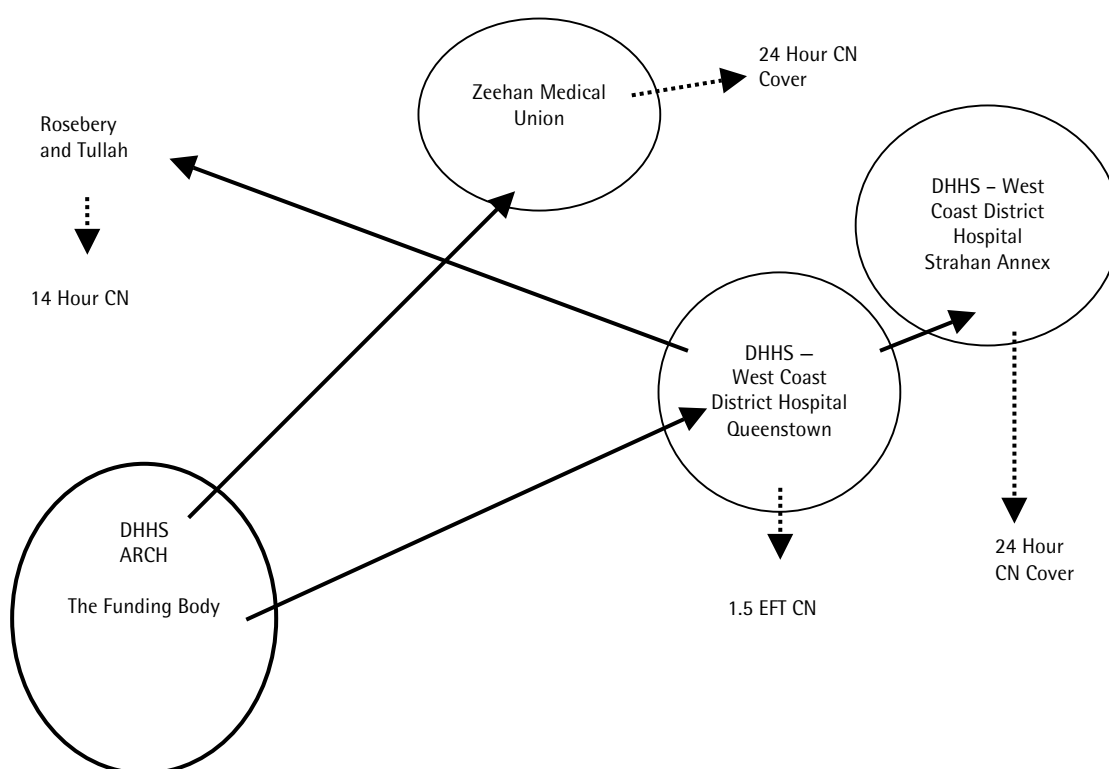
Multiple health service providers on the west coast

- West Coast Health and Community Services, Rosebery Community Hospital (A Company limited by guarantee) providing 24 hours inpatient and emergency services to Rosebery and Tullah.
- Rosebery General Practice, (A private company of River Medical Services) 2 general practitioners (GP) and GP run pharmacy. Rooms co-located at RCH providing GP services to mostly the Rosebery and Tullah communities.
- Zeehan Medical Union, (understood to be a shareholder company) and engages 1 GP and a GP run pharmacy along with 24 hours on call nursing emergency care for the Zeehan community.
- DHHS, ARCH, West Coast District Hospital (WCDH) (public service) including the provision of acute and residential care provides services mostly to Queenstown and Strahan. The Strahan Nursing Centre an annex of WCDH provides community nursing, a part time GP service and after hours emergency care triaged from Queenstown.
- Queenstown Medical Union, (understood to be a friendly society) employing a full time pharmacist providing a pharmacy service to most Queenstown and Strahan.



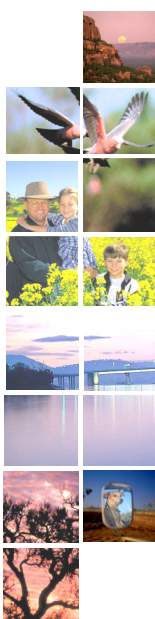
- Private General Practice – 1 GP located in Queenstown providing a service mostly Monday–Friday in Queenstown.
- Private General Practice – 1 GP located in Queenstown providing a service often 7 days per week in Queenstown along with a part time service in Strahan.
- Tasmanian Ambulance Service located in Zeehan and provides an emergency service for all West Coast communities.
- DHHS visiting services visiting all communities although this was on occasion's ad hoc and would bypass Tullah, Rosebery and Zeehan to deliver services directly into Queenstown.

An example of Multiple Service Provision—Provision of Community Nursing (CN)



Note that the health department via ARCH funded all community nursing on the West Coast and it is only since July 2002 that WCH&CS via RCH was directly funded to provide 14 hours community nursing into Tullah and Rosebery. Prior to that the health department via ARCH funded West Coast District Hospital to provide community-nursing services into Tullah and Rosebery as depicted above.

It is also noted that the allocation of community nursing hours is not consistent between each community. Another aspect that continues to cause fragmentation, duplication and at times over servicing.



WCH&CS STRATEGIC DIRECTION

The new WCH&CS Board of Directors set a strategic direction that included the recruitment of another 2 Board Directors to take the number up to the quota of seven. These new members were recruited specifically from the communities of Queenstown and Strahan in an endeavour to break down the community parochialism.

The CEO developed an education program for all Board Directors and Executive Staff and concentrated on matters of corporate governance and the delivery of health care especially as it relates to rural and remote communities.

There was also a strong impetus placed on engaging and educating other health service providers about WCH&CS vision for achieving improved integration of services and continuity of care for all West Coast residents. Something that had been identified as sadly lacking on numerous occasions.

Restructuring and effective recruitment continued to be a key activity and this strengthened the health service generally and significant value was placed on achieving outcomes rather than just tinkering at the edges. Each new program activity was founded on clear performance objectives linked to an evaluation and reporting process.

There were improved reporting processes developed and the following statement best describes the progress made over the past 2 years.

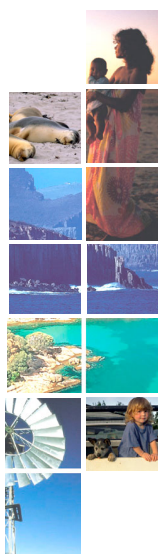
A well-comprised and dynamic Board of Directors is providing leadership and sound direction to the company and a competent team of skilled and knowledgeable managers and staff are conducting its business operations in an effective, efficient and economical manner. The Company is adequately funded to continue its current level of service delivery, and has programs, policies and procedures in place to manage its risks and daily activities (Wells 2002).

Aspects that the Board of Directors could not control however were the external risks. Risks defined as:

- a total reliance on the funding agencies, state and commonwealth
- the actions of multiple service providers trying to maintain their viability in a relatively small geographic area with a total population of 5515
- a declining population located in a geographic environment often exposed to extremes of weather and increasing changes in the socio economic status of its population.

These risks considered being central to the company's (WCH&CS) ongoing viability. As such a decision was taken to influence health policy where ever and when ever possible. The message being **"a single management structure"** to auspice the provision of all health services on the West Coast for the purpose of improving service delivery from within the local community.

In adopting this approach WCH&CS leveraged off the recently announced health department clinical services review of Queenstown and Strahan to be undertaken for redeveloping the West Coast District Hospital and Strahan Nursing Centre.



WCH&CS pushed its reform agenda and the health department strengthened its position by entering into a 12-month service agreement for the hospital as the previous five (5) year hospital service agreement was about to expire.

In return the clinical services review was extended and incorporated all the West Coast communities and the multiple service providers. If nothing else WCH&CS felt that it had already achieved one of its most significant strategic objectives and health reform on the West Coast was now clearly on the agenda.

CLINICAL SERVICES REVIEW

April 2002 saw the commencement of the clinical service review by the health department and involved the multiple service providers on the West Coast. The health department 4 member project team comprised of part time health department employees or consultants. The final report was handed down some 10 months later in February 2003.

There were a number of recommendations but the most significant aspect of the review was the affirmation that the provision of services by multiple service providers is leading to service fragmentation, duplication and over servicing and as a result creating service and public confusion.

UNFINISHED BUSINESS

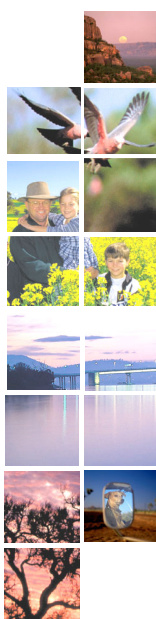
WCH&CS as the West Coast auspicing body is an excellent model of care as it is:

- operated by the local community
- community focused; and is
- predominantly apolitical.

The current impediments are:

- the bureaucratic nature of state and commonwealth governments in entertaining a more progressive local model of care
- the multiple health providers and the community's slow acceptance and understanding of the benefits of a local model of care
- local government under estimating the significance of a local model of care in terms of building community capacity and flexibility.

To this date however there still remains unfinished business and this is emanating out of the clinical service review. In terms of the writer the most significant recommendation is in relation to:



Governance and management of services

- That subject to extensive consultation with the Wet Coast Community, Council and health service providers, a multi-campus integrated health service be established with the auspice to be determined through an appropriate process.
- That a future auspice investigates develops and implements an appropriate multi-campus integrated service delivery and funding model for the West Coast.

As an outcome of this recommendation there has just been convened a West Coast Health Service Working Group that will report to the Minister of Health and Human Services by 1 April 2003.

The working party's core activity is to identify the potential auspices for a multi-site integrated health service on the West Coast and make an assessment of their suitability and sustainability.

WCH&CS has now publicly declared its hand by stating that they are well equipped to assume the management of all of the health services on the West Coast.

In conclusion, as a facilitator of change it is hoped that the actions taken to assist WCH&CS, WCC and the population of the West Coast are not in vein and that an outcome is achieved in the very near future based on the principles as reflected in the Healthy Horizons nationally endorsed framework for allocating and improving the health and well-being of people in rural, regional and remote Australia.

REFERENCES

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