

Australian Medical Association Limited

ABN 37 008 426 793

42 Macquarie Street, Barton ACT 2600: PO Box 6090, Kingston ACT 2604
Telephone: (02) 6270 5400 Facsimile (02) 6270 5499
Website : <http://www.ama.com.au/>



**AMA RESPONDS TO PRODUCTIVITY COMMISSION
DISCUSSION DRAFT ON PUBLIC AND PRIVATE HOSPITAL
SYSTEMS**

AMA President, Dr Andrew Pesce, today said it was vital that Australia had strong, highly performing, public and private hospital systems, after the Productivity Commission released a draft discussion document comparing the two systems.

Dr Pesce said the Commission had highlighted the immense difficulty and statistical challenges of comparing the performance and costs of public and private hospitals.

“Hospital systems are complex but we need both public and private hospitals working well to support our Australian health system,” Dr Pesce said.

“Unfortunately the *AMA Public Hospital Report Card 2009*, which was released yesterday, shows that public hospitals are under-funded and failing to meet key performance targets, and growing demand for their services.

“Extra resources are needed to enable public hospitals around Australia to open more beds and deliver more services.

“Governments should end the blame game over public hospital funding, introduce a single public funder for public hospitals, and invest significantly more funding into the system.

“There should also be more local clinician involvement in public hospital planning and resource allocation.”

Dr Pesce said there were important differences between the public and private hospital systems.

“Private hospitals are funded through an uncapped system of fees-for-service, focus on scheduled work, and many don’t look after people who are chronically ill or require acute surgery,” he said.

“Public hospitals mostly rely on public funding, care for the chronically ill and provide medical services to anyone who needs them.

Comparing the two systems isn’t necessarily useful, but fixing them where this is needed is imperative.”

15 October 2009

CONTACT: John Flannery
Peter Jean

02 6270 5477 / 0419 494 761
02 6270 5464 / 0427 209 753