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MEDIA RELEASE

Short-term day surgery model here to stay: AOA urges transparency, ethics and patient centred models

Australian Orthopaedic Association; Australian Ethical Health Alliance

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Short stay models of care for major orthopaedic surgery may be a way forward to make healthcare more affordable and sustainable, but caution needs to be exercised, according to a recent panel discussion with leading stakeholders in Australia's healthcare system.

A recent webinar, *Short Stay Arthroplasty* – hosted by the Australian Orthopaedic Association (AOA) and the Australian Ethical Health Alliance (AEHA) and featuring private health insurers and stakeholders including Medibank Private and Bupa – discussed the issues around short-term day surgery as a business model and funding pathway.

A short stay model of care is one that reduces unnecessary time spent in the hospital and allows patients to recuperate in their own home with support from a multi-disciplinary care team.

The timely discussion follows Medibank's acquisition of a 49% stake in the boutique East Sydney Private Hospital. Medibank will initially invest \$8.8 million in East Sydney Private to fund capital investment and operational costs required for the hospital to scale its short stay model of care.

The webinar is part of a series aimed at opening transparent and robust discussion around the future of orthopaedic care, one of the most costly yet popular forms of surgery in modern times.

"At the end of the day it needs to be a sustainable, whole of system approach that puts patients first. Whether it is the business model or funding pathways, they need to be based on patient outcomes," said Alison Verhoeven, CEO Australian Healthcare and Hospitals Association.

Short stay arthroplasty, for appropriate patients, is one way to reduce the currently unsustainable model of health care in Australia, thanks to rising private health insurance costs coupled with an ageing population.

Australia's largest private health insurers believe that their interests and ownership of further day surgery businesses are a case of market demand, with investments made to date a direct result of offering more choice.

"Many orthopaedic surgeons have approached Bupa and are interested in working with us," said Dwayne Crombie, managing director Health Services, Bupa.

Dr Linda Swan, Medibank chief medical officer, said, "Medibank's short stay funding model gives customers more choice, eliminates medical out-of-pocket costs, and most importantly delivers the same if not better outcomes and experience for patients. Our initial focus will be for patients requiring joint replacements, with a view to other major procedures being added over time.

"It will help doctors to give their patients more choice in how their care is delivered. The short stay program is doctor led and designed, with the surgeon maintaining full clinical autonomy."

Bupa Managing Director Health Services Dwayne Crombie agreed with the motives behind the acquisition, believing that opportunities to put the patient first were "being blocked" and overlooked for too long and "after years of protecting interests it was time for change in patient focused care."

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Australian Orthopaedic Association President Dr Andrew Ellis stated that "the AOA remains deeply suspicious of for-profit private health insurers who wish to enter the ownership of private surgical facilities or hospitals. They do this for business development reasons but under the guise of enhancing care in "doctor led" models. Out of pocket expenses are the smallest element in this move, as the majority of fees are paid by the commonwealth through the MBS. The real reason is to disrupt established hospital groups, and encourage alternative methods of care by offering fee incentives to surgeons to participate in managed care in health insurer owned vertical business structures".

"To gain surgeons' and patients' trust, the health funds must act in transparent ways in developing business models such as these and declare incentives they offer participating doctors and hospitals. They seem to genuinely wish to contribute to health reform, and in this setting, we welcome collaborative discussion and action," Dr Ellis said.

AOA recognises orthopaedic surgeons have an important role in contributing to sustainable, affordable, innovative and patient centred care. AOA has previously cautioned the motives behind short-stay surgery hospital ownership, particularly in light of concerns over vertical integration, managed care and restriction of choice.

AEHA Chair Adrian Cosenza said, "The role of AEHA is strengthening healthcare delivery in the Australian Community by encouraging a commitment to ethical practice and it is important all participants work respectfully and ethically to find workable solutions".

The panel discussion was one of three dedicated to the issues surrounding short stay arthroplasty. The next webinar will be held on Thursday, 29 October.

<https://www.aoa.org.au/events/webinars-public/public>

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Media Enquiries

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About the Australian Orthopaedic Association

The Australian Orthopaedic Association (AOA) is the peak professional body for orthopaedic surgeons in Australia. AOA provides high quality specialist education, training and continuing professional development. AOA is committed to ensuring the highest possible standard of orthopaedic care and is the leading authority in the provision of orthopaedic information to the community. AOA actively supports scientific research and orthopaedic humanitarian initiatives in Australia and overseas.

About the Australian Ethical Health Alliance

The Australian Ethical Health Alliance aims to improve healthcare in Australia through articulation and affirmation of ethical principles that promote the interests of patients and consumers, enhance access to safe and effective healthcare, encourage ethical collaboration in the healthcare sector and build public trust. It is a sector-lead initiative and participation is voluntary. *The Australian Consensus Framework for Ethical Collaboration in the Healthcare Sector (ACF)* is a consensus of shared values and ethical principles that form the basis of collaboration and interaction among organisations in the Australian healthcare sector.

Find out more at ethicalhealth.org.au