

**Health Workers Union
Response to the
Department of Health
and Human Services
Victoria Pathology Plan
2017 Consultation
Paper**



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About the Health Workers Union-Victoria

The Health Workers Union has a proud history since its inception in 1911 of fighting for workers' rights and better work conditions in Victoria's hospitals and other healthcare facilities. The Health Workers Union history draws on the contributions of the many Unions that have amalgamated to create its present branch structure and the broad range of professions that hold membership.

We are a strong and growing union that aims to use its combined power to improve working conditions and to maintain reasonable wages and benefits for our members. The Health Workers Union (HWU) of Victoria represents a broad spectrum of workers employed in hospitals, community health, pathology, dental, aboriginal, disability and aged care services.

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Introduction

The Health Workers Union (HWU) welcomes the opportunity to make a submission in response to the Department of Health and Human Services Victoria Pathology Plan 2017 Consultation Paper. Our submission will focus on the Consultation questions that are most relevant to our membership.

The Health Workers Union represents a broad spectrum of workers within Victoria's pathology sector, with the exception of medical scientists. Our members work in the following classifications; pathology collectors, couriers, administration, reception and management.

Our submission has been informed by a review and examination of Victoria's and Australia's health sector; in particular pathology services and encourages the adoption of good policy currently used by other Australian state and territories. This submission will present case studies that provide compelling examples of how certain components of our pathology system have failed tax payers, patients and our health workers. It also provides solutions and options that, if applied, could result in significantly improved savings to government and patients and enhanced work conditions for pathology workers.

In order to ensure that this submission represents the diversity of the HWU pathology membership, workers' from public and private pathology services were consulted. The HWU also sought feedback from pathology workers that were employed within metropolitan Melbourne and rural and remote areas of Victoria.

These workers were invited to provide verbal or written feedback to the HWU and encouraged to complete an anonymous online survey. We have included their feedback in our submission. These individuals are representative of health workers nationwide and we thank them for taking the time to share their stories.

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Consultation Questions:

Consultation question: With a focus on delivering better outcomes for patients, how can we better manage timeliness, appropriateness of testing and specialist testing in all of Victoria?

Twentieth century advances in medicine and improvements in public health, nutrition and workplace health and safety have for many people increased their life expectancy! Unfortunately, living longer is often associated with chronic illness (such as heart disease, cancer and mental illness), disability and other difficulties that require treatment from Australia's private and public health services.

At the same time, extraordinary developments in science and technology are steering a surge of healthcare innovation. This technology has raised societal expectations and demand for innovative healthcare services. Pathology tests are an essential part of improving better outcomes for patients. They assist doctors to formulate a diagnosis and often assist in the provision of correct treatment for a patient's condition.

Many OECD nations have taken the lead in restructuring their healthcare system, including their pathology sectors by focusing on training their current workforce using best practise guidelines as well as retaining staff and recruiting new workers into this very important sector. In Australia, the Commonwealth government has a substantial role in national policy making, but tends to fund rather than deliver health care services through Medicare, the Pharmaceutical Benefits Scheme, aged care subsidies and subsidies for private health insurance premiums (Department of Health & Human Services, 2015).

The Victorian Health 2040 Discussion paper stated that "Australia is missing an opportunity to have a world-class health system due to the incremental, siloed approach to national health reform that fails to look at the health system as a whole" (Department of Health & Human Services, 2015, pg. 10).

Many other authors have stated that health administrators have focused too much on budgets and a volume driven health system. Instead, they recommend that health administrators must focus on delivering best practice or health administrators (both

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public and private) must shift their focus or make their explicit goal to deliver excellent outcomes (Stowell & Akerman, 2015).

Often, many healthcare providers mention that their treatments and organisation is driven by quality, research, or education as goals, but few gauge their patients' treatment outcomes or conduct longitudinal research with the focus on treatment efficacy! Moreover, the same can be said for the dissemination of treatment outcomes to their clinicians or the public.

Delivering better outcomes for patients can only happen when providers align the focus of their clinical teams and their goals on achieving excellent outcomes, and in turn invest in research resources to measure and report outcomes (Stowell & Akerman, 2015). At the same time they must invest in quality training for their workforce.

Delivering better outcomes for patients requires the policy and conditions to occur. That is, providers must make available the appropriate service. Additionally, these services must be accessible! For instance, Australians living outside major cities have significantly poorer health and lower life expectancy than their urban counterparts. Recent data from the Department of Health and The Australian Institute of Health and Welfare found that many services including appropriate pathology services are not readily available.

Moreover, in order for patients to be able to access best practise pathology services, the services must be efficient and sustainable. Services must also be provided in a safe, high quality manner. In many instances, the quality of the pathology workforce (training and experience) has a significant impact on the delivery of best practise pathology services.

For example, Victorian pathology companies, in particular Dorevitch pathology, tend to employ many unqualified workers. That is, most pathology providers advertise pathology collector positions with a request for a Certificate 3 in Pathology collection as a minimum qualification. However, various documents by NATA and a recent report titled "Best Practice Pathology Collection" written by the Department of Health (2013) stated that pathology companies are free to employ unqualified pathology collectors.

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Unfortunately, the Pathology Collection accreditation system allows employers to employ people without a Certificate 3 to work within the sector. Although the various government documents state that unqualified employees must be trained and supervised, they do not specify a time period for these workers to acquire their Certificate 3 in pathology collection.

Additionally, various NATA documents as well as the abovementioned DOH (2013) document do not define or specify what amounts to appropriate supervision. In order for the provision of best practise pathology services to occur (which may include efficient, sustainable, safe and high quality care) the HWU makes the following recommendation:

- 1) When an unqualified pathology collector is employed, they must be paired with an experienced pathology collector for the first month at least. That is, all testing must occur under direct supervision!
- 2) Thereafter, the HWU recommends that after the initial orientation period, unqualified employees must be supervised for all the specimen collection procedures that they perform.
- 3) Comprehension of complex and relevant policies and procedures
- 4) Unqualified pathology workers must not perform complex procedures; these procedures must be completed by a more experienced or 'advanced' pathology collector (as per the DOH (2013) document referred to above. The following procedures may be considered as complex:
 - All arterial blood procedures;
 - Arterial blood gases;
 - Sweat tests;
 - Mantoux testing;
 - NPA (SNP);
 - Venesections;
 - Synacten;
 - Adrenal vein;
 - Cannulation.

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- 5) Furthermore, we would recommend that any unqualified pathology collectors employed by pathology companies (for example, Dorevitch pathology) must be enrolled in an accredited Certificate 3 pathology collection course within the first 6 months of their employment. Additionally, these workers must complete their Certificate 3 pathology course within a maximum of two years from the time they become employees.
- 6) A definition of what constitutes an advanced practitioner must be developed! Appropriate roles must also be developed for advanced practitioners that involve supervisor of staff and the provision of ongoing professional development and they can also monitor the progress of unqualified pathology collectors.
- 7) We would also recommend in house or external training for these unqualified workers on a regular basis, in addition to their enrolment in the accredited Certificate 3 in pathology collection.

Finally, we have witnessed the de-skilling of workers within the health and pathology sectors for some time. This pattern appears to be driven by employers and is directly related to their bottom line or maximising profits by avoiding paying a more highly qualified employee. For example, the Certificate 4 in Pathology Collection is no longer offered! We recommend that the Certificate 4 in Pathology Collection be reintroduced and placed on the funded course list. We would also recommend that pathology providers must employ a stipulated number of employees with this qualification within a particular geographic area and that they be tasks with non-clinical responsibilities (for example, refer to point 6 above).

Consultation question: What is required for efficient, effective and sustainable pathology services to public health services in Victoria?

We are fully aware that the health sector (as well as the pathology sector) is increasingly resource hungry (although automation has resulted in fewer pathology specific scientists employed). Providing high quality pathology to Australians, especially as the population ages, is a costly business, and a genuine challenge for governments, both State and Federal. It makes sense that

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policy makers review the operating models and costs structures from time to time to ensure resources are not being wasted or used inefficiently.

We do not support competition for competition's sake, especially when it comes to the provision of health services. The health sector (including pathology) is not a commodities market. Compassion, care and respect are the life blood of our system but they are not products to be traded like stocks on the exchange or Pots and Pans in a retail outlet.

However, we understand that Pathology testing has changed dramatically over recent decades, with increased automation and an increasing range of tests available. This automation has resulted in job shedding and larger profits for pathology providers.

Australia's health system (including the pathology sector) is one of the better health systems, comparable to that of Canada and better than most countries, when compared internationally. One of the main factors that have delivered Australians a world class health system is the total amount of money invested in our health system (approximately 10% of Australia's GDP). Employees must be provided with a safe working environment and paid accordingly. Some pathology companies refuse to negotiate outdated Enterprise Bargaining Agreements (over 10 years) and maximize their profits by not paying their employees at an appropriate rate or providing decent working conditions (for example, a pathology courier being forced to drive an un-roadworthy vehicle).

The proof of a well-functioning health system can be seen in the life expectancy of its citizens. However, the health system can be improved when it comes for catering to Australia's Indigenous population and minority groups.

In order to ensure efficient, effective and sustainable pathology services to public health services in Victoria, the HWU recommends that public hospitals that have outsourced their pathology departments reverse their decision and bring back

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their pathology department in-house! The Northern hospital is in the process of bringing back their pathology services in-house and hope to complete this process by 2019.

The provision of efficient, effective and sustainable pathology services to public health services in Victoria will require adequate resourcing of staff, investment in new technologies and qualified staff. That is, a minimum of Certificate 3 in Pathology collection and the reintroduction of the Certificate 4 in pathology collection.

Consultation question: What future funding pressures will there be on pathology and what will be their impact?

The Grattan Institute (2016) report titled “Blood Money: Paying for pathology services” states the obvious when they say that “the Australian pathology Industry is ripe for reform” (The Grattan Institute, 2016). Patients, health insurance funds and taxpayers spend a lot of money to get these benefits. For example, our Medicare system spent \$2.5 billion on pathology services in 2014-15. More recent figures do not seem to be available.

They offer a number of recommendations that they believe can improve the pathology system, in particular the pricing structure. To begin with, they argue that the government and the Australian taxpayer could make significant savings if the way we pay for pathology can be improved. They state that the two largest multinational health companies that operate pathology companies; Sonic healthcare and Primary Health Care are making way too much profit at the expense of the government and tax payer.

They recommend that government and taxpayers must share in the massive efficiency savings that the industry currently keeps to itself. For example, Primary Health Care made a \$1.5 billion profit last financial year, in particular,

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Dorevitch pathology (their Victorian pathology company) made a profit of about \$150 million last financial year.

Secondly, the Grattan Institute (2016) recommends that patient co-payments for tests should be abolished! They justify this by stating the obvious, that is, patients are not the real consumers of pathology tests (The doctors who order and use the tests are the consumers).

The Grattan Institute (2016) concludes that there is little point in co-payments if they don't result in improved care, but in fact punish the sick! At the same time, co-payments are used by industry to threaten government as a bargaining chip in policy battles. This type of leverage must be taken away from the large multinational companies that are making a mint in the pathology sector!

Their final point relates to the need for government to introduce price competition into the market. They suggest introducing a tendering system whereby companies could tender for contracts to provide the majority of pathology services in certain areas, provided they charge government less than the rebate and without adding co-payments. Public hospitals could compete using this system and the HWU recommends that it be introduced as soon as possible.

The Grattan Institute (2016) predict that the abovementioned reforms could save government at least \$175 million annually. The savings would ultimately come from profitable corporations, not from cutting services to the ill and vulnerable. The HWU supports these recommendations. They enable the government to make savings without compromising the quality of health care delivered to Australians.

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Consultation question: What impact has contracting of public pathology to third party providers delivered for sustainable cost savings?

The continued cuts to healthcare by successive governments has resulted in many public pathology laboratories being contracted out to private providers who's chief aim is to maximize profits. As a result of this capitalist model of business, pathology standards set out in contracts with public hospitals are not being met! Instead we are seeing quality standards declining and turn-around times for some tests being allowed to increase.

Additionally, critical pathology tests have been taken out of local laboratories and sent to larger laboratories that are usually located several hours away from the hospital in question (usually located in metropolitan areas). These employment practices usually result in the loss of well-paid local jobs and highly qualified staff.

The loss of local pathology testing can put other services at risk like the emergency department, obstetrics, paediatrics and oncology services. Moreover, the private pathology sector business model is having a detrimental impact on public hospitals in regional Victoria, putting at risk their capacity to treat patients locally.

The Health Workers Union believes that the contracting out of pathology services should stop! Our public hospitals need to regain control of their pathology departments and have fully functioning pathology laboratories staffed with the required number of properly trained employees.

Latrobe Regional Hospital recently contracted out their pathology services to Dorevitch Pathology. The state government must ensure that all public hospitals with private pathology providers are enforcing contract terms to deliver world-class quality pathology services.

The Pathology Liaison Consultative Committee minutes suggest that in a December 2011 meeting, LRH chief executive Peter Craighead raised concerns about whether Gippsland Pathology Services (a trading name used by Dorevitch) was able to fulfil the service agreement.

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It is plausible that pathology contracts at other public hospitals that have privatised their pathology services have also struggled to fulfil the service agreements that they committed to. And we suspect this is happening in other disciplines and departments where the tendency has been to outsource services (for example, laundry departments and hospital kitchens).

The Health Workers Union believes that it is vital for the Victorian Government to investigate the privatisation of public hospital services and departments. The reasoning for such an investigation relates to private contractors making unreasonable or unrealistically low bids in order to secure prospective contracts. This type of corporate behaviour usually results in communities suffering from poorer service provision, reduced staff and higher waiting times- workers are sacked as private organisations seek to maximise their profits.

It will be terrible for the community if Public and Private Hospital management allow quality health standards to decline for the sake of protecting a private contractor's profits. The community must be guaranteed that the hospital's management and board won't turn a blind eye to contract failures like the management at Latrobe Regional Hospital. The HWU believes that the Victorian government must play a vital role in ensuring that vital health services continue to be provided best practise guidelines.

Dorevitch Pathology currently operates pathology services from 18 major regional public and four metropolitan hospitals in Victoria. The services that Dorevitch operate employ a significant number of scientists, pathology collectors, couriers and other support staff within regional areas.

South West Healthcare announced that Dorevitch Pathology would take over pathology services at the Warrnambool Base Hospital and Camperdown hospital from July 2015, replacing long-term provider Healthscope Pathology. This announcement adds to the number of regional jobs that Dorevitch are likely to cut and as a consequence, hurt the local economies that are already struggling.

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In July 2015 Healthscope Pathology (now owned by Dorevitch pathology) state manager for Victoria Scott Jansson- said that they were disappointed to be no longer offering services at Camperdown and Warrnambool after 20 years. Mr Jansson said Healthscope hoped to retain the majority of its workforce which totals between 35 and 40 people.

The contractual and privatisation patterns within the Pathology sector have been shown to have a negative impact on employees. For example, when Warrnambool Base Hospital recently awarded a new tender to Dorevich Pathology-to run and manage its pathology services some of members were made redundant and had their work hours reduced. Additionally, all the workers ended up losing her LSL entitlements because they moved from one private company to another.

EXAMPLES OF VICTORIAN PUBLIC PATHOLOGY OUTSOURCING GONE WRONG:

- The decision of the Victorian Health Minister, Jill Hennessy, to conduct a review into whether the Latrobe Regional Hospital (LRH) and Dorevitch Pathology have failed to comply with the terms of the pathology services contract, particularly the requirement to deliver effective and quality pathology services for the Latrobe Valley community (July 20, 2015) — consistently failed to comply with key contract performance requirements relating to quality and clinical care performance standards.
- Safer Care Victoria has determined to investigate possible patient safety considerations associated with Australian Clinical Laboratories (ACL) decision to close the microbiology laboratory in the Bendigo Hospital. In particular Safer Care Victoria will investigate whether or not the changes will reduce patient safety standards for Bendigo Hospital patients.
- Clinical Labs-GEELONG HOSPITAL is putting patients at risk at Geelong Hospital due to staffing cuts and the continued use of reporting software that is not compatible with the hospitals systems. This resulted in lengthy delays for Geelong Hospital medical staff accessing patient results.

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