

# Private Care for Public Patients: The Joondalup Health Campus – A Follow-on Examination

Report 4 – June 2000

## Background

In 1996 the Joondalup Health Service Agreement was signed with Health Care of Australia (HCoA). Under the contract, HCoA took control of the old Wanneroo hospital and designed, built and now operates an upgraded 335 bed hospital that comprises 265 public hospital beds and 70 private beds. The new hospital came into operation in January 1998 as the Joondalup Health Campus (JHC).

In 1997 a performance examination of the contract was undertaken with a focus on the planning and tendering processes for awarding the contract. This follow-on examination provides an early assessment of the Health Department's (the Department) management of the contract and the performance of JHC.

## What the examination found...

- Hospital funding to the JHC/Wanneroo site has more than doubled in the last four years, and is likely to continue to grow at a steady rate under the Department's new metropolitan health plan – 'Health 2020'.
- Cost and quality of services delivered by JHC are generally comparable to metropolitan public hospitals. However, some opportunity exists under the contract to negotiate a lower cost for emergency department services.
- Opportunity exists to relieve some of the pressure on teaching hospitals particularly Sir Charles Gairdner Hospital through increased patient transfers to JHC and higher acuity profiles in the JHC emergency department.
- Structural and procedural arrangements for managing the contract are good and the risks associated with the contract are satisfactorily managed overall.
- Private hospital arrangements entered into by the Department subsequent to the JHC contract provide an opportunity for future comparative analysis of the different models.

## What the examination recommended...

The Department should:

- in its next contract year negotiate with HCoA a discounted price for emergency department services above the indicative profile level and increased transfers from teaching hospitals;and
- schedule a future review of the comparative benefits of the different private hospital arrangements in which it is engaged.