

From: Scherini, Alex
Sent: Friday, 21 November 2014 10:50 PM
To: Secretary Email
Cc: Daniel Dwyer; Tim Carlton; Laurie, Kirsty; Cox, Peter; To, Sai; Watson, Richard
Subject: Further WA examples on the proposed health methodology and comments on the NSW "data" on community health

Dear Secretary

As indicated in our submission of 19 September 2014, attached are further examples on the proposed health methodology. These examples illustrate our view that the proposed "substitutability" measures for private vs public services are irrelevant to the correct assessment of needs under the CGC's proposed new model, and what is relevant is the relative size of substitutable private services compared to total State services.

To this end, the spreadsheet contains the same examples we previously provided to you, with the further examples next to them (patterned on the same circumstances as the previous examples). The only change with the new examples is the replacement of the CGC's "substitutability" factor with the ratio of substitutable private sector health services to total public sector health services. This change results in the correct needs.

We have sought advice from our health experts in relation to the NSW "data" on the substitutability for community health services. However, a major problem with analysing the "data" is that it is unclear what it actually is, and we have sought advice from CGC officers on this matter. We note the "data" is said to relate to one of the largest Local Health Districts in NSW. Assuming that this data is in some way an average of service provision in the district, it does not seem relevant to understanding the impact on State services of variations in access to affordable private services.

Also attached are recent media statements from the WA Health Minister that highlight the range of health services that States provide, and how States step in where the private sector fails to supply the services that are required. This supports our view that States are the provider of last resort and there is therefore substantial substitutability between the public and private sectors.

Regards

Alex