



Submission

Senate Economics Reference Committee
Inquiry into Cooperative, Mutual and Member-Owned Firms

Prepared by

National Health Co-op Ltd

Dear Committee members

The National Health Co-op (NHC) would like to thank the Senate Economics Reference Committee for the opportunity to make the following submission.

This submission is made by the NHC pursuant to TOR (a) and (b (i-iii)), specifically the role, operation and importance of the NHC in the communities where it operates and the current barriers to the NHC's growth including the impact of current regulations.

Background

The NHC is a not-for-profit consumer co-operative established to provide affordable and accessible medical and health services to the local community where it operates. It is not just a general practice, but is a health co-operative which uses a proactive and integrated partnership approach between the member and the doctors, nurses and other health providers and educators to form a comprehensive health care team.

The NHC provides members with access to primary care services such as general practice,, psychology, asthma and diabetes education, mental health, physiotherapy, child, teen and aged health, dietetics, .

Annual membership of the NHC is available for individuals at \$10 per month or \$100 annually. Commonwealth concession card holders receive a 50 per cent discount and children under 18 years of age receive free cover under their parent or guardian's membership. Free membership is available to community members in need and is assessed on a case-by-case basis in partnership with local community service agencies.

Community impact

The NHC has experienced rapid growth in memberships (now representing almost 9 per cent of the ACT population and growing at the rate of approximately 4.5 per cent per quarter), as well as successful recruitment of medical and professional staff, the majority of which are new to the ACT region. As a result, the NHC has expanded its operations to include eight locations across the ACT. In its relatively short history, the NHC has made a significant contribution to the health of the ACT community. Last year the NHC provided over 100,000 consultations to its 30,000 registered patients in the ACT in addition to a significant number of residents in surrounding NSW.

To address the shortage of GPs in the local community, NHC assists clinicians with General Registration to achieve GP Specialist qualifications and also assists Limited Registration and Provisional Registration doctors to achieve general registration on their way to completing their Fellowship. Approximately 80 per cent of NHC's GPs were non-vocationally registered when they joined. This model actively ensures that the number of appropriately qualified doctors increases which has a positive impact on the availability of health care to the entire community.

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To continue this work, the NHC is currently working on plans to open several additional Canberra clinics and commence its expansion into NSW and beyond. Over the next five years, the NHC intends to expand nationally with the aim of making a substantive positive impact on the health of Australians. This expansion will be in areas where there is a significant GP shortage.

Business model

The NHC is a consumer-owned NFP organisation where all surplus funds are returned directly to the business in the form of additional services, resources and equipment to benefit the health and well-being of its members. Members pay a low annual membership fee which entitles them to bulk-billed GP services wherever possible and a growing range of other affordable health and community services at the health centres.

The co-operative approach is ideal for this mode of integrated service delivery as it works in direct response to member needs to provide better, more affordable health services, enhance members' health and well-being, and develop a sense of community, another key factor in ensuring community members are appropriately cared for. As well as addressing acute medical issues (severe or urgent problems) the major focus of the NHC is to address chronic disease and promote well-being.

Whilst quantitative research on the social and economic improvements to the community related to NHC's activities is limited, research on health outcome indicates that patient centred care and accessibility to GPs and health care services provides improved health outcomes to corporatized models of health care¹.

The NHC is planning on working with research organisations to investigate the correlation between its activities and improved patient outcomes and the associated reduction in healthcare costs to individuals and governments.

Barriers to growth

To continue its growth, the NHC must overcome two primary barriers.

The first, and perhaps the simplest to address, is the limited availability of capital to sustain the NHC's rapid growth. To date, the NHC has addressed this barrier through collaborative partnerships with local businesses and minor grant funding from the ACT and Commonwealth Government. As the NHC continues to grow, access to reliable sources of capital will become increasingly important.

The NHC will continue to work with local businesses and government bodies for support, however, the Australian Government could play an important role in facilitating access to much needed capital for the sector through either the retargeting of existing grants programs and/or the establishment of favourable loans for community based organisations.

The second major barrier is the well-recognised critical shortage of suitably qualified Doctors in Australia. This is particularly challenging for the NHC's planned expansion into remote and regional Australia where this problem is most acute.

To date, the NHC has had moderate success in attracting overseas trained doctors to Canberra due to the ACT being assessed as an Area of Need and some areas as Districts of Workforce Shortage (DWS).

To expand the NHC's successful model throughout remote and regional Australia, the NHC is proposing to engage currently non-practicing, overseas trained doctors that hold Australian permanent residency or citizenship for our planned expansion into regional Australia. Presently, Under the Health Insurance Act 1973, these doctors are only able to receive a Medicare provider number if they work in regional Australia. Given this restriction, these doctors are perfectly suited to the NHC's expansion in regional Australia; however, initially their limited registration requires onsite supervision.

To enable the NHC to temporarily employ these doctors at one of our Canberra based clinics for training and assessment purposes until remote supervision is granted, the NHC requires approval of this arrangement within Section 3GA to be considered under the 'Special Approved Placements Program'. As soon as remote supervision is permitted, the NHC would transfer the Doctor to a new clinic in regional Australia allowing the doctor to be compliant with the ten year moratorium requirement. As these doctors achieve General Registration or Fellowship, they too will become GP supervisors in these rural areas further developing and strengthening opportunities to train more doctors directly in the rural setting.

If successful, this proposal has the real potential to materially address the severe shortage of doctors in regional Australia and further deliver on the NHCs objectives.

The future

The NHC has adopted an ambitious medium term plan which involves rapid expansion throughout Australia. The NHC's co-operative model has proven itself successful and financially sustainable. The NHC has been able to deliver enhanced primary health care outcomes to the ACT community with no additional cost to government over that already made available through existing Medicare arrangements.

This model is clearly one that has the capability to fundamentally improve the primary healthcare of Australians and contribute to the efficiency of the Australian health system through increased patient engagement and preventative health measures. The social and economic impact of the NHC's work will be significant as it expands across Australia.

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ⁱ **Australian Commission on Safety and Quality in Health Care.** Patient centred care: Improving quality and safety by focusing care on patients and consumers. Discussion paper - For public consultation. *Australian Commission on Safety Quality in Health Care.* [Online] 2010. [Cited: 3 June 2015.] www.safetyandquality.gov.au