

Waitaki District Health Services Limited

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Waitaki District Health Services Limited hopes the Southern District Health Board will reconsider its proposed 5% funding cut for regional hospitals, including Oamaru. “The contract they’ve offered us for the 2015/16 year is completely unacceptable,” says Waitaki District Health Services Board Chairman, George Berry, “and we’ve sent the SDHB a very detailed letter spelling out how it will hurt our patients and our people and what it will mean for our staff and our services.”

Mr Berry says the 5% contract cut for rural hospitals is “actually much worse than it seems because we’re not being paid what we should be now.” He says if the DHB paid the national price for health services, “then we’d already be getting \$10,750,886. But we’re not. Now they want to pay even less. Cutting our funding to \$9,297,216, as the DHB plans, means Oamaru hospital will get \$1,453,669 less than we should if we were being paid the national price. So it’s not 5% less, it’s actually 13.5% less than we should receive.

“That will mean a serious downgrading of Oamaru Hospital, and the whole rural hospital system,” says Mr Berry, “at a time when the DHB’s own strategic plan says rural hospitals should be boosted to keep patients away from the more expensive major care centres.”

He says the Southern DHB is calling its lower rural hospitals contract offer “an efficiency cut” but Waitaki District Health Services believes the plan will actually have the opposite effect. “It won’t be efficient at all,” says Mr Berry. “In some cases, what they plan will push up costs and we can’t see how that will help the DHB reduce its \$42,000,000 forecast deficit for the 2015/16 year.” One example is the proposed reduction of ATR (Assessment, Treatment and Rehabilitation) and Acute Medical Inpatient beds at Oamaru, down from 22.8 beds to 16.2

“We know our daily patient bed occupancy average is 22,” Mr Berry says, “and, with our funding cut, we estimate that 658 patients will need to be transferred to Dunedin per year for treatment we can provide in Oamaru. Transferring that number of patients will cost the DHB \$1,398,771 for hospital care plus \$329,000 for ambulances. That’s an extra \$1,727,771 annual cost, or \$1,238,444 more than the \$489,327 funding cut they’re asking us to accept.”

Another major problem is that the DHB is not paying rural hospitals anything extra for increased staff costs, “even though we’ve been advised it’s received an extra \$9,000,000 to cover award increases.” Mr Berry says “it is particularly unreasonable and unfair to give none of that money to the rural hospitals, especially when we will have to look at redundancies if these service cuts go ahead.”

The Waitaki District Health Services Board has identified major cuts in 6 areas of Oamaru Hospital operations:-

- **A 33% cut in Emergency Department visits. The DHB**

will only pay for 3000 ED visits, 1000 less than the 4000 it currently funds. This will mean Oamaru will no longer be able to treat the number of patients it has (7677 in 2013/14). With reduced volume, WDHS would need to consider shorter ED hours or charging for some services.

- **A 36% drop in funded ATR Inpatient beds, with the number of bed days funded by the DHB dropping from 2190 to 1400 (790 less).**
- **A 26% funding cut for Rural Inpatients, meaning the hospital will be only be paid for 4530 bed days, not 6160 as it is now.**
- **The end of free Eye Field Tests at Oamaru because all funding has been cut.**
- **No more minor operations at Oamaru either, because funding for them has also been cut.**
- **Probable cancellation of the Community Radiology Service if Inpatient funding cuts are made. WDHS says this is “totally inequitable” because the SDHB is paying Dunstan Hospital \$410,000 to provide a CT Scanning service but giving Oamaru no funds at all.**

These cuts will seriously affect patients and staff in the Waitaki, says Mr Berry, while the real problems lie elsewhere and are not being addressed. “The SDHB’s continuing failure to address its own increasing deficits over the last 3 years is of huge concern,” he says, “and we have no confidence in its ability to improve the deficit position. We think the Board is drawing services back to Dunedin to help it survive. We are deeply worried about the deteriorating financial position of the DHB and its inability to adequately fund Waitaki District Health Services.”