



2015

Australasian Healthcare

Workforce Review

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In 2015, Litmus Solutions proudly released the first in a three part series of its inaugural industry analysis. With the participation of over 200 medical professionals, the industry analysis provided impartial commentary and perspectives on the industry's current workforce challenges. Part one highlighted those issues in depth, and identified opportunities for improvement and cost savings.

<http://www.litmus-solutions.com/news-healthcare-industry-analysis-series-part-1/>

Part two to be released in quarter one 2016, will provide insight from a working doctor's perspective, focusing on the motivations behind engaging with a healthcare facility and the importance of the Employee Value Proposition.

Market Overview

2015 saw a significant changing of the guard within the Australasian healthcare market, with many executive positions in transition and official moves made by no fewer than 11 Directors of Medical Services and 14 Chief Executives. Most executives moved to similar positions, but interestingly we found that interstate moves were quite appealing to Chief Executives in 2015. This trend is likely to continue into the first quarter of 2016 as more restructures occur within the market.

One of the most significant market changes we witnessed in 2015 was a shift in the strategic approaches to staffing taken by Health districts. Alarming retention and attrition rates have driven many Chief Executives and workforce directorships to change and clarify their onboarding strategies and initial feedback suggests the outcomes of these changes are already very positive. Several hospital and health services in QLD are now gathering data on the success of newly implemented on and offboarding strategies to monitor over the next 12 months to establish data on its impact to the medical workforce.



New Tasmanian Health Service

As of 1 July 2015, Tasmania moved from 3 Tasmanian Health Organisations (1 in each region) to a single Tasmanian Health Service (THS). This consolidation is expected to deliver significant savings over the first four years through reduced duplication and administrative costs. January 2016 will see a new THS Chief Executive appointed, along with a more permanent executive structure, which should bring an end to the temporary uncertainty regarding large scale operational moves.



QLD Change Of Government

In 2015, we saw a change of Government in QLD and with it a greater emphasis placed on the employment of nurses. The new Government also impacted the 16 Hospital and Health Services (HHS's) in their autonomy to make key strategic decisions. There was now a stronger control mechanism on spend for large scale projects at the local level. This directive has been driven at a state level, which has led to slow and cautious approach and will most likely increase its slowing effect on the fluidity of commercial outcomes in 2016.



Managed Services in NSW

The big change in NSW was the need to introduce new technology into the Local Health Districts (LHD's) to meet workforce challenges. Having previously been cautious in outsourcing workforce solutions, NSW Health in 2015 moved positively towards Managed Service Providers in order to develop better analytics; control expenditure; increase quality and improve internal process efficiencies. There have been several state wide rollouts of various technologies which have made NSW health the clear leader in embracing new methods to combat legacy challenges.

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Victoria Budget Cuts

2016 will be a significant year of change for the Health Districts of Victoria, and will undoubtedly see hospitals in the region working more closely with private sector partners in order to combat workforce planning challenges. The Victorian Health system also experienced changes in 2015, with the budget highlighting up to \$17.7 billion in funding cuts over the next decade. With these cuts, hospitals in Victoria are already looking to the private sector for innovative initiatives to cut costs and improve the allocation of funds for local health projects. 2016 will be a significant year of change for the garden state and will undoubtedly see hospitals in the region working more closely with private sector partners.



NHS Junior Doctors to Australasia

Both Australia and New Zealand are looking to capitalise on the current exodus of junior doctors from the NHS. This comes on the back of recently announced changes to their contracts, which entail a worse deal in terms of both pay and working conditions. Strike action is looming for the NHS and junior doctors are voting with their feet, with record numbers submitting requests for Certificates of Current Professional Status (CCPS), needed for doctors who wish to work overseas. In September when the contract changes were announced, the General Medical Council (GMC) received over 550 CCPS requests a day, compared to typical averages of 20. Every year, around 1,500 UK doctors relocate to Australasia and this number is expected to spike significantly in 2016 if the proposed NHS contract changes go ahead. As a result, many Hospitals and Health Services (QLD in particular) are developing and executing bulk recruitment drives to attract junior doctors from the UK.



New Zealand struggle with high deficits

Similar to Australian hospitals in 2015, hospitals in New Zealand continued to struggle with multi-million dollar deficits this year and staff cutbacks were a key concern – especially since most DHBs are already very short on doctors. With a growing and ageing population, and the traditional challenges of filling posts in hard-to-staff health specialties and communities, New Zealand simply cannot cut current staffing levels without affecting patient care. As a result, District Health Boards need more innovative ways of lowering costs and some have already approached the private sector for assistance. Similar to that of NSW, certain District Health Boards have turned to Managed Service Providers to help develop better cost containment strategies, and improve internal process efficiencies. In 2016, we expect other District Health Boards to follow suit, and therefore a significant shift towards Managed Service models in New Zealand.

Summary of the 2015 Healthcare Market

The healthcare market has gone through some significant changes in 2015. Pressure to restrict costs; increase process efficiencies and effectively manage 3rd party suppliers has contributed to a maturing of buying patterns within the public sector right across Australasia. Health Executives have started to explore cross-market strategies and seen the value of innovation and new technologies when it comes to improving transparency and control. With clear innovation deliverables across the Australasian healthcare market, and increased funding to promote these initiatives, we predict a significant shift in operational methodology and human capital management in 2016.

View the Litmus Solutions inaugural industry analysis here:

<http://www.litmus-solutions.com/news-healthcare-industry-analysis-series-part-1/>

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