

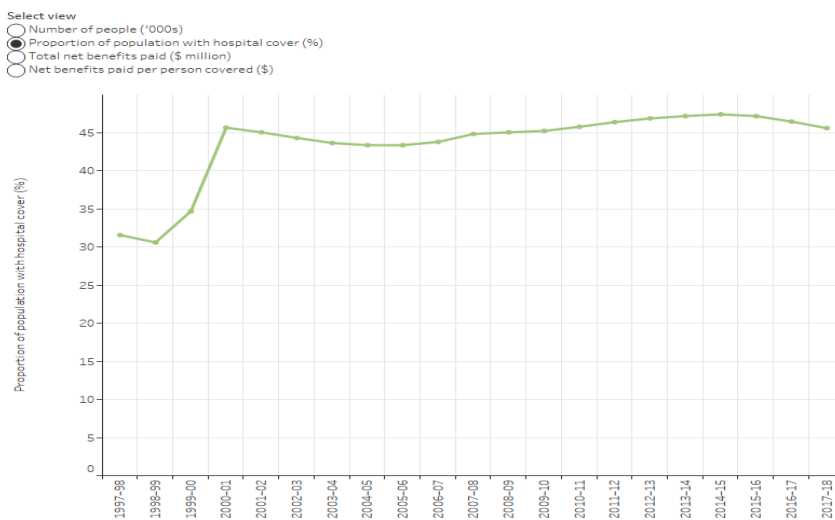
Attachment: Detailed information pertaining to Reason and Purpose of Restructure

Private Health Fund trends – membership and management

Referencing the Australian Prudential Regulation Authority (APRA) Quarterly reports released in November 2020 and February 2021 (statistics); there was an overall increase in membership of private health funds however this was identified as being in the plus 50 year age cohort. Additionally and noted was the 'COVID-19 driven operating environment' although attribution for noted changes was not made.

More longitudinally, there is a continuing overall decline in private health fund membership evidence across Australia:

Figure 2: Private health insurance membership, total net benefits paid and net benefits paid per person covered, 1997–98 to 2017–18



Note: Membership is reported in calendar years for hospital cover; expenditure is calculated in financial year.
Sources: APRA 2019; AIHW 2019b.
<http://www.aihw.gov.au/>

Alongside of this membership decline, the most recently released Private Health Insurance Ombudsman's Report (2018) identified a growing increase in complaints received from members and, within this, the main identified issue of concern was hospital policies with unexpected exclusions and restrictions. Within the Mental Health area of specialty, there is growing experience with respect to the exclusion of psychiatric care provided to consumers with a status of involuntary (noted as the vast majority of our acute inpatient cohort).

In cursory review of this documentation alongside of reported monthly figures at the LHD level in relation to the number of patients identifying to private, we are not able to adequately project trends for membership but we can acknowledge growing tension and challenges in this area and the need to ensure that we retain and/or employ staff with sufficient expertise and qualification to navigate this space.

NSLHD MHDA Revenue Targets

Revenue targets are identified across NSW Health and within NSLHD, revenue targets are consequently established for MHDA. It is acknowledged that achievement of targets is increasingly challenging in an environment of change.

Achieving revenue targets is dependent on the 'conversion' of patients (consumers) who identify as having private health insurance to utilisation of this insurance. It is identified under NSW Health policy (PD2018_029) that every patient presenting to a NSW Public Hospital must be afforded the right to choose whether they wish to be treated as a public or private patient. On presentation, every person is defined as 'public' and PLOs are charged with canvassing each person as to whether they wish to elect to 'convert' this status to 'private' via utilisation of their private health cover. These conversions can only be achieved through working one on one with each consumer who identifies as private. Within the MHDA space, this consists of interviewing MH consumers (once cleared for capacity by the treating team) within each acute inpatient unit of the Directorate (noted as Hornsby, Macquarie and Royal North Shore).

It is noted that the PLO team continues to achieve very high rates of conversions in the face however of declining identifications to private.

NSLHD MHDA PLO Work Activity

Conversion rates

Whilst the number of people identifying as holding private health insurance is, in overarching terms declining, the conversion rates across MH Acute Inpatient units are identified as consistently high:

Inpatient Unit/Campus	2019/20 FY	2020/21 FYTD
Hornsby (adult)	83.4%	84.6%
Hornsby (Brolga)	78%	76.3%
Macquarie (Parkview)	77.78%	82.14%
RNS Adult	84.71%	85%

High conversion rates reflect positively on the skills, experience and expertise of the current PLOs.

Workplace Flexibility

The request from each and every identified PLO for MH to reduce from their employed status of full time worker to a fractional worker was presented referencing the workplace flexibility provisions existing within the NSW Public sector.

It was, and is acknowledged, that in 2016, the New South Wales (NSW) Government committed to making all roles in the NSW Government Sector flexible based on the principle of 'if not, why not' and within this, identification was made that flexible working is about rethinking the where, when and how of work undertaken by each individual. Notwithstanding this, it was also identified that this flexibility was to be considered in a way that maintains or improves service delivery for the people of NSW. Further to this, it is clearly articulated that the commitment of the NSW Government to workplace flexibility does not mean every role, or every individual, can or should (or has to) work flexibly.

A strategic framework of implementation was arrived at with six principles:

- I. For everyone – Everyone is able to request the types of flexibility that make sense within their roles.
- II. Mutually beneficial – Flexible working will be successful when it creates the best outcomes for employees, employers and customers.
- III. About the team – Flexible arrangements must have a team overview about how work will be distributed and solve for the needs of team members, including what is fair and equitable for that team.
- IV. Give and take - Flexibility requires give and take between the employee, manager and team.
- V. Leader led – Employees will take up flexible work when they see their leaders building flexible working into their own lives and across their organisation.
- VI. Context matters – Agencies will need to develop their own strategies based on their role types, operating contexts and industrial arrangements.

NSLHD MHDA embraces flexibility within all of the parameters identified – and indeed, within the Revenue team this can be evidenced in terms of the provisions made within working hours of each day which are self-nominated for each worker.

Referencing the principles of flexible work practices, where an entire team seeks the same flexibility (to reduce from full time hours to 24 hours) and they exist within a larger team and where the workers seeking the change all perform the same job in a client facing role; there are complexities of analysis.