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Smaller rural hospitals should be part of a strengthened GP and primary health care system

The best way forward for Australia's smaller rural hospitals is to make them a part of a more coordinated, integrated primary health care system, Australian General Practice Network (AGPN) chair Dr Emil Djakic said today.

Rural hospitals are highly valued by their communities and are often the first place people turn to for their health care. Rural General Practitioners (GPs) are the backbone of local rural hospitals, working in their own practice as well as the hospital to meet community need.

"The Prime Minister's confirmation yesterday that block funding may be more appropriate for smaller hospitals rather than activity based funding is logical and welcome.

"There are some 200 rural hospitals in Australia with fewer than 10 beds, and more than 300 others which have 10 to 50 beds. Many of these would not survive under a casemix funding model. They have fixed costs just to open their doors and their activity fluctuates considerably. Activity based budgets don't fit this scenario," said Dr Djakic.

He also added that these hospitals were fundamental to their local communities and congratulated the Prime Minister for recognising the need to put in place a funding model which ensures their survival.

The clinical work done in smaller rural hospitals is largely performed by visiting GPs (Visiting Medical Officers), with them dividing their time between their general practice and local hospital.

Visiting Medical Officers in rural hospitals provide a broad range of services which can include procedural and surgical work, anaesthetics, birthing and physician care.

"Given the role of rural GPs in both clinical in-hospital services and the delivery of complex acute procedures resulting from local emergencies and trauma out-of-hospital, the governance, funding and support of small rural hospitals is best done regionally through a strengthened primary health care sector.

"The Government's changes are designed to improve demand management within general practice and the primary health care sector, to reduce avoidable admissions to hospitals and prevent illness and injury, so let's start with rural and remote areas where GPs are already working in this way," said Dr Djakic.

He believes that where an independent umpire determines a hospital is not suited to activity based funding, the hospital and its funding stream should become the responsibility of a Primary Health Care Organisation (PHCO) which plans and ensures the delivery of all primary health care within their area.

"The National Health and Hospitals Reform Commission recommended that PHCOs evolve from or replace our Network, and the Network is ready and willing to take on that role.

He said that rural consumers need access to hospital services and PHCOs are best placed to ensure they survive and thrive.

For media interviews please phone AGPN Communications Officer Ben Graham on 02 6228 0828 or 0430 586 022.