

To Councillors –

Lakes District Hospital

April 1, 2011

No-one could deny the importance of a public hospital to Queenstown. Our forefathers set aside the land and created the facility as far back as 1863. Today we are a very different community and yet the need for a fully functional public hospital could never be greater. Why?

- We have one of the fastest growing populations in the country
- We represent ourselves as an international tourist destination and visitors have a reasonable expectation that we have an infrastructure to back up the brochures.
- Our outdoor pursuits create a higher need for A&E specialists than most other regions in the country.

Today the SDHB and its backers, we believe, are putting at risk the future of our public hospital with an unproven experiment, inappropriate for the size, growth and needs of our community. This experiment is being foisted on the community when the community gave a clear signal to the DHB at workshops in March last year that it was unhappy with the lack of detail and consultation provided to the community. That detail has not been provided in the past twelve months as the DHB undertook – and yet the Board seems ready to endorse the decision to proceed.

As a Trust, we have long argued that any substantive change in the way secondary health services are delivered to Queenstown must be developed in the context of a long term plan. It is alarming that there is no strategic plan for Lakes District Hospital and hasn't been for at least the last 10 years. Now, from this vacuum, the DHB is conjuring up a proposal that potentially scuttles our long standing hospital for a privately run "clinic" at Remarkables Park. Whilst some inpatient public beds are mentioned within the proposal, there is no quantification of the numbers and what services will be provided. Nor concerningly, is there any apparent plan for maternity services – it simply says that this is subject to another review. It is the Trust's view and that of many of the clinicians at Lakes District Hospital, that there will be a reduction in the inpatient beds and services, resulting in the loss of highly skilled emergency doctors who are unlikely to remain on the staff within such a scaled down facility -the net result could be a reduced standard of care to our community. Moreover, we are concerned that the implementation of such a concept could lead to privatisation of some services that are currently available free of charge to the public elsewhere around the country.

When we examine the interests of the parties behind this proposal we are challenged to see any of them representing the interests of the community as their first priority.

The SDHB:-

- None of its board members live in Queenstown. So we have a bunch of out-of-towners making a strategic decision on a key resource for our community.
- It has recently spent \$50m+ on upgrading Kew Hospital and relies on Queenstown patients to help justify that expenditure. (There are upwards of 90 ambulance transfers/month to Kew Hospital from Queenstown).
- The SDHB is under financial pressure to balance its books and has Queenstown in its crosshairs – presumably attracted by the potential proceeds from the sale of valuable land.

QMC:-

- As the proposed operator of the new facility, it is unarguable that their commercial interests will always prevail over those of the community. The proposal for a private/public model is very different from a public/private model and the interests of the shareholders will by definition be paramount.
- Remarkables Park:-

Clearly the owners of Remarkables Park have a landowner interest and would not easily appreciate the intrinsic benefits of the current LDH location. The Trust's own research reveals that:-

- The present location has enough land to meet the needs of an upgraded hospital for the next 50 years.
- The building itself was future proofed when built to allow modernisation without substantial rebuild. The Trust obtained an architectural review from an experienced hospital architect..
- A low rise hospital has shown to be more beneficial in patient convalescence
- The DHB has not been able to produce any cost/benefit analysis to justify a re-location.

By contrast the Trust has no ambitions for itself and only has the community's interests at heart. It owns more than \$500,000 of equipment at LDH on behalf of the community and therefore is a stakeholder in any outcome. It has no allegiances – except for some very strong relationships with executives and board members at Dunstan, Oamaru and other regional hospitals.

To us, it is inexcusable that the DHB has never produced a long term plan for LDH. With no plan in place there can never be any accountability to the community on performance or more importantly funding. Where other government agencies like the Education ministry have worked positively with our community to ensure new schools and facilities reflect our growth, we see no such planning or accountability from the DHB.

We have known for a long time that Queenstown has received less access to a range of clinical specialists compared to other regional hospitals. Yet efforts to redress this issue have not been met by the DHB. This obsession with dollars rather than patients has led to an unhealthy attitude towards Queenstown. Regrettably, the DHB behaves more like a receiver than a provider of critical services. A scan of LDH internal accounts shows it levies upwards of \$1m per year as a capital charge on the land and buildings at Queenstown. This is in direct breach of Government legislation that only permits a DHB to levy capital charges on new assets acquired after 2001. It is this kind of financial obfuscation that camouflages the true level of funding that Queenstowners are receiving. (see attached notes)

Our long held view is that any planning must begin with a Needs Assessment for our community. In an effort to encourage the DHB to do a long term plan, the Trust commissioned its own Needs Assessment in 2009/10. It was conducted by a well regarded independent consultant from the health sector. Those findings showed unequivocally that Queenstowners are being shortchanged in their hospital services. ie We are not receiving the level of funding or services commensurate with our size and demographic. This 120 page report is available on the Trust's website.

This underfunding of LDH is corroborated by Dr.Allisdair Miller in a scathing attack on the DHB for its rubbery financial analysis of Queenstown running costs. Dr Millar was part of the recent clinical review group appointed by the DHB itself.

Regrettably, the DHB refuses to acknowledge the findings of the Needs Assessment – and instead seeks to make cuts to its financial commitments at LDH, bring in some private frontline operators and scale the hospital back to a clinic - all this in the absence of any plan or acknowledgement of the underlying needs or facts.

As you may be aware Queenstown is the only community in the nearby region of any size that does not have direct governance over its hospital. Others like Gore, Oamaru, Dunstan, Balclutha – all have models where the community has governance over their hospitals.

The Trust believes this must be the first step for Queenstown.

Specifically we believe these should be the steps forward to achieve an upgraded hospital facility for our community:-

- A recommendation for a governance model
(this is currently being undertaken by a reference group chaired by Graeme Todd)
- Appointment of a board and transfer of assets to a governing structure on behalf of the community
- Funding agreement between the new board and the DHB (like other hospitals)

- A strategic plan to be developed by the new board tested with clinical groups and the community
- Implementation of the Plan and annual accountability/reporting to the community. In our view it is simply untenable to inflict an experiment on Queenstown without addressing the governance issues first.