**Submission**

Competition Policy Review Secretariat
The Treasury
Langton Crescent
Parkes ACT 2600

**TOPIC: PATIENT TRANSPORT SERVICES ACROSS AUSTRALIA**

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**Overview**

The concept of competitive neutrality for PATIENT TRANSPORT IN AUSTRALIA is a fiction and the state owned ambulance services exercise unfair advantage adding to costs of patient transport, impacting hospital operations and internal costs, increased risk of loss of life (insufficient resources to attend patients) and using state owned status politically, industrially and economically.

The exclusion of qualified providers from emergency and non emergency patient transport has no economic or social justification. In fact the death of people in Victoria due to state ambulances being unavailable would seem to add weight to a proposition to open up the market.

Despite the COAG agreement in the spirit of competition reform minimal application has been made by the states with Victoria and South Australia being the only two to move towards an opening u of the market but only in terms of non - emergency patient transport. The COAG Reform Council has done little if anything to address this situation.

State owned ambulance services have emergency transport monopoly and in the case of Victoria the ambulance service controls the non-emergency patients transport (NEPT) tendering, assessment, selection and management process.

The COAG agreement on competition reform (2006) had as one of its principles that the state government, via its agency, would not exercise regulatory/planning approval where it competes with private sector (CIRA 6.1 (c ) of Heads of Treasury monitoring/reporting agreement 2012.

NSW is the most obstructive. It’s legislation permits the registration of patient transport providers but Director General has not issued any licences. The Act prohibits the transport of patients by private providers for fee or reward but in the same section allows provision of transport services at events. The organiser pays the private provider not the patient. This is nonsense. There are a number of private providers operating in NSW under these restrictions. NSW Health held a pilot using a chosen provider. This company would have data and experience not available to others in the event of a competitive bid for provision of services.

**NSW**

In late 2013 the NSW Health Department moved to examine and introduce licenced non - emergency patient transport providers in a specific geographic location. The process adopted by NSW Health is:

(a) Very costly, bureaucratic and onerous and does not act in the interests of reducing costs and engaging efficiency it is an Expression of Interest leading to a short list, then a Request for Tender by that short list and finally a contract but only in that location.
(b) A restrictive and onerous set of conditions in the EOI
(c) To withhold pertinent and vital data from the EOI effectively nobbling competitive bids.
(d) Third line forcing – respondents have to use the new central booking hub even if they have their own hubs and call centres.
(e) Segmented, one geographic area.

**Below is the EOI reference. Comments are inserted by the author of this submission as examples of the above claims and perceptions.**

Expressions of Interest

Project Title: Non Emergency Patient Transport Provision
South Eastern Sydney Local Health District
HAC 13/64 NSW Health

Comment by Paramedical Services Consultant

The NSW Ambulance Green Fleet is expected to respond and their pricing per patient flag fall will be pertinent in the overall competitive framework of the offers and end result. It is assumed that the Green Fleet and private company NPT has access to data not included in this EOI document.

**NSW Health EOI** 1.2. As a result of the NEPT strategy, the Ministry of Health is implementing: (a) the establishment of a central booking hub, to manage NEPT bookings in the greater metropolitan area, with satellites managing regional areas of NSW; and

(b) the centralised coordination of all NEPT fleets inclusive of LHD, ASNSW and private provider resources (Providers) by the booking hubs.

**The Booking Hub**
**The Respondent is to confirm its acceptance that all bookings will be from a central Booking Hub for the metropolitan area, noting this Booking Hub will be established, to provide end to end coordination across the NEPT network and to dispatch NEPT bookings to all fleet vehicles via the specified MDT. (EOI 7.3.4 refers)**

Comment by Paramedical Services Consultant:

This requirement in the private sector would be construed as third line forcing (if we give you the contract you must use and pay for our hub services) of course the State is not subject to the provisions of third line forcing or the Competition Act. At the very least it acts as an impediment to competition by not permitting private companies to use their existing own call centres or exercise economies of scale.

In any assessment respondents would have to consider time slippage when you doing costing and staffing.

Attachment A of NSW Health EOI

"Once a fleet has been contracted, they are required to provide services exclusively for and on behalf of the LHD. This may involve performing transports for neighbouring LHDs on the agreement of the fleet's home LHD."

**And**

**NSW Health EOI 7.3.3 Hours of Operation and Availability. NEPT is required to operate between 6.00am and 11.00pm daily, seven days a week, within the SESLHD and surrounding geographical areas, with variable staffing and capacity to meet demand**

Comment by Paramedical Services Consultant:

The ambulances allocated by respondents are effectively stranded and cannot be used for any other business activities by the private provider in other parts of the business.

An ambulance cannot be older than five years placing an additional impost on a private provider. Is this same criteria relevant to state ambulances?

**NSW Health EOI** "2.1.3 Exterior of vehicles and livery

An NEPT vehicle MUST NOT:

1. Display the words "ambulance service" or any name, title or description to imply an association with NSW Ambulance, unless such an association exists.
2. Display the word "ambulance" on any vehicle that is not owned or operated by NSW Ambulance.
3. Display the word "paramedic".
4. Display the logo or images of NSW Ambulance, unless there is an association with NSW Ambulance.

5. Have installed any warning beacon light other than an amber coloured beacon. Note however that the installation of a warning beacon is not a service specification.
6. Have installed an audible siren."

Comment by Paramedical Services Consultant:

NSW Green Fleet ambulances can retain their livery under the above whereas private providers have to go to extra costs and conditions. The provider provider cannot effectively advertise itself and in the case of Paramedical Services has to have two sets of fleet vehicles.
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**NSW Health EOI 2.3.3 Communication / Navigation devices**

1. A provider must ensure that a primary source of communication for operational staff is available and has been approved by the Booking Hub, to ensure a successful communication interface is achieved and maintained.
2. The communication device must be able to contact NSW Ambulance (via "triple-zero" or another means) at all times for the primary purpose of Clinical Escalation.
3. An approved Mobile Data Terminal (MDT) and associated equipment is required to be carried by all NEPT vehicles. MDT's have GPS and navigational functionality. This fit-out can be arranged in consultation with the Booking Hub.

Comment by Paramedical Services Consultant:

This requirement harks back to the proposition of third line forcing and also adds costs and impositions since private providers may have existing communication devices which are adequate but may not meet apptoval of the Booking Hub.

Enclosure 1 of NSW Health EOI

**"1 Patient Transport Service Specifications**
**1.1 Classes of Transport Service – staffing classifications"**

And:

**1.2 NSW Health EOI: Standard Classes of Patient Transport**

The allocation of an appropriate vehicle and staff for any specific NEPT situation is primarily dependent on the patient's clinical condition. The classes of transport provide a classification system that will be adopted by booking agents and transport providers.There are five classes of transport that have been classified from A to E; of this two classes are out of scope for NEPT.
Class A – life threatening emergencies and patients that require a time critical transport of 30 minutes or less are undertaken by the Ambulance Service NSW and are out of scope for NEPT. Class E – self-caring and low acuity patients would generally utilise taxis, community transport and private vehicles. These types of

transport will be scheduled by the NEPT Booking Hubs in the future, however currently this is out of scope for NEPT transport.
Class B to D – represents the core group of patients that will be transported by NEPT services.

Comment by Paramedical Services Consultant:

There are paramedics working in Paramedical Services and other private companies who are qualified to handle emergency patients but this is excusive to NSW Ambulance. Classes B to D are effectively low value patient transfers most of which can be handled by maxi taxis and small buses. This makes it uneconomical for qualified and equipped companies to respond and participate.

**NSW Health EOI "1.3 Classes of Transport Summary for NEPT**

**All NEPT Transports require assessment by a Registered Nurse or Medical practitioner for clinical suitability for this type of transport."**

Comment by Paramedical Services Consultant:

Whilst this is reasonable in terms of patient safety it belies the fact that a highly qualified paramedic is capable of making such assessments and adds unnecessary costs into the overall process.

Note Attachment A to NSW Health EOI:

**"Performance and Operational reporting will also be provided by the Booking Hub to the LHD, based on the data gathered through the centralised booking and dispatching system. This information will be tailored to each LHD with an emphasis on operational improvement of NEPT functions."**

Comment by Paramedical Services Consultant:

There are KPIs and SLTs directed from NSW Health Department on patient transport vehicles as a requirement. Now there is to be an added separate monitoring system through the Hub, wasting taxpayer's money by creating a stand – alone Hub monitoring system.

**NSW Health EOI: 1.5. Benefits to be realised from the provision of NEPT services across the SESLHD and surrounding geographical areas, under the Contract include the following: (a) Enhanced service delivery to all patients (e.g. greater equity in accessing services, and reduced delays for patients, etc);**

**(b) Reduced use of ASNSW emergency resources for NEPT;**

**(c) Improved patient flows from hospitals and between health facilities;**

**(d) Enhanced patient satisfaction with the NEPT service;**

**(e) Improved utilisation of NEPT fleets;**

**(f) Improved assistance in meeting NSW Health commitments under the National Emergency Admission Target; and**

**(g) Provide data and information to assist with managing service provision decisions beyond the initial two year period. "**

Comment by Paramedical Services Consultant:

These are admirable benefits to be realised yet evidence from Victoria and other states using non emergency patient transport restricted models show this is all too often pie in the sky dreams and cannot be delivered in a restricted model that gives precedence and monopoly segments to the state owned ambulance services. Ther is no evidence in Victoria that NEPT has reduced the requirements on state owned ambulances, recent venets in Victoria regarding patient outcomes because the state owned ambulance was on a non - emergency patient run and unavailable for a 000 emergency indicates quite the opposite outcome. People have died waiting for a state owned emergency ambulance.

South Australia

Whilst not as onerous and restrictive as the NSW case cited above South Australia engages in restrictive practice with conditions of tender and delivery ensuring the provider's access to sustainable business is managed and cannot grow to threaten the dominance of the State Ambulance provider.

Extract:
REQUEST FOR QUOTATION For SA AMBULANCE SERVICE NON-EMERGENCY PATIENT TRANSPORT SERVICE, Quotation Closing Time & Date:1600hrs on Wednesday 16 April 2014

"SA Ambulance Service (SAAS) provides emergency and non-emergency patient transport services to patients within the state of South Australia. SAAS non-emergency patient transport jobs, are booked by external clients (hospitals, nursing homes etc.) via the SAAS Emergency Operations Centre (EOC) on an as needs basis.

SAAS has commenced market research into the viability of offering ad hoc non- emergency patient transport jobs to external patient transport providers to assist with managing workload for non-emergency patient transfer service.

SAAS commenced its market research in December 2012 by publicly advertising for market research information through a Request for Information (RFI) via the SA Tenders & Contracts website.

SAAS now seeks a Request for Quote (RFQ) in line with the SA Health and State Procurement Board guidelines. Patient Transport Service providers whom responded to the

RFI are invited to formally provide quotes as outlined in section 3 (information / scope) of this document.

INFORMATION/SCOPE

This request for quote (RFQ) is for the delivery of non-emergency patient transport services which will be booked through external providers on an ad-hoc basis." (end of abstract)

Comment by Paramedical Services Consultant**:**

Ad hoc gives no guarantee of booking levels and can be used as controlling mechanism to manage external providers for a range of reasons including ensuring none reach critical mass to challenge the entrenched state ambulance service.

**Submission expansion relevant to all states**

Where is the data (Australia or internationally) to demonstrate that a private ambulance and paramedical services provider is not as qualified, and skilled, as a State Ambulance Service provider, to deliver emergency and/or no emergency patient transport services?

What justification is there for the continuing exclusion of capable companies from the market?

**Benefits of Competition**

Paramedical Services sets out below the benefits of engaging in either a full competitive model or a lesser competitive, partially restricted, model where state ambulances have a monopoly on emergency patient transport but no decision making and control over the allocation of non - emergency patients. In the latter case the hospital, clinic or patient chooses the transport provider.

**The ACCC should also note that the Australian government limits non - emergency patient transport for VET and Health Card holders to determination by the relevant state government under their respective Medicare agreements. States choose to use their own ambulance services for obvious reasons.**

Paramedical Services has brought this to the attention of the Australian Treasurer and Health Minister the opportunity to save quite a lot of money b opening it up to competition and has received advice from the Department that there is no proposition to change this.

It is pertinent to note that Paramedical Services has a contract with the Australian Defence Department to provide paramedic services at Albatross Naval Base in NSW and also transports patients to and from the Holdsworthy Army Base in western Sydney.

Private patient transfer by private providers such as Paramedical Services offers timely transport to medical appointments and more importantly back from appointments.

Removing private patient transport from the emergency services structure of state, and territory ambulances, has a profound effect on the hospital, diagnostic facility and specialists in that they can see more patients due to the fact that the patients are arriving on time.

There is an attendant **decrease in the costs** of having extra staff rostered on to look after patients for extended periods of time, there is a **reduction in overtime and fatigue,** for staff who have to stay back and look after patients who are left waiting for hours for a return trip home.

Private patient transfer by providers such as Paramedical Services improves the quality of service to the Commonwealth funded VET patients greatly as they will be treated as private patients. They will have a better transport experience as they are not left waiting for extended periods of time.

Private patient transfer by Paramedical Services will dramatically decrease the pressure on already over stretched ambulance services and hospital facilities that are currently not meeting emergency response times with the impost of ever increasing budgets to provide for the Non-Emergency Patient Transport (NEPT) component within state service delivery mechanisms.

A major issue with hospitals across most of our major cities is "bed block" and "ramp block" NEPT affects both those issues. If hospital staff cannot clear the beds they cannot bring more patients into hospitals.

Allowing private providers to move patients most notably the Commonwealth VET and Health Card holders, which makeup a significant proportion of ambulance transports, in and out of hospitals, and between facilities, would have a tremendous measurable effect on the healthcare system.

It is expected that there would be improved relationships between State government and the Commonwealth in terms of maximising returns on investment.

**Commentary on Competition in the Patient Transport Sector of States and Territories**

Below Paramedical Services sets out its views on the current situation and the vexed and disparate policies across Australia of respective governments and the

Commonwealth and the impacts on competition reform of governments' failures to and the failure of the COAG Reform Council to achieve potential benefits.

Competition, Efficiency Policy and Implementation in regard to Non-Emergency Patient Transport (NEPT) within Australia's different Government jurisdictions raises questions as to the most appropriate model where the dominant service provider – State Ambulance Services – enjoys multiple roles as purchaser, regulator and provider of non-emergency patient transport. Clearly this limits the realisation of efficiency and return on investment by Governments.

The issues arising in the debate, and policy deliberations, may, on the face of it appear as a simplistic view of competition and efficiency. However there are multiple competing agendas such as; allowing competition, procurement and government policy, funding, standards and other impositions on private operators, and demands of the hospitals and medical professions, health funds and so on, all of which are beyond this notion of competition.

The existing monopoly cannot be challenged and there is by and large no alternate or competitive input. This disadvantages restricts private providers and is not an admirable outcome on behalf of the end consumer – the patient, nor is it a worthwhile outcome for Governments seeking the best outcome for their expenditure!

**Competitive Neutrality Policy**

So called Competitive Neutrality Policies are purportedly founded on rigorous financial principles, public interest test and transparency. The objective of competitive neutrality would inter alia be the elimination of resource allocation distortions arising out of the public ownership of Ambulance Services. Under the policy a government business should not enjoy any net competitive advantage simply as a result of their public sector ownership.

In the patient transport market these principles are distorted because, under COAG agreements, formed in the mid – nineties, the policy only applies to the business activities of publicly owned entities and not to the non-business, non-profit activities of some of the entities operating in the sector. It is assumed for the purposes of this submission that state woned ambulance services are "not for profit" and "not for business entities".

Competitive neutrality is supposed to be achieved by the removal of unfair advantages that result from government ownership of a business activity. If ambulances are not a business activity, charging fees according to kilometres and flag fall and insurance premiums what are they? A type of taxi?

There is no evidence that such neutrality is applied generally across the board in Australia because the competition policy applies only to the significant business activities of publicly-owned entities. It is left to a disparate group of interests to determine if their business activities fall within the scope of competitive neutrality policy. Where State owned Ambulance Services call the tune such determination will always be in the negative.

One might imagine the outcry from unions if Ambulance Services were subject to corporatisation, commercialisation, and full cost-reflective delivery pricing. The government's social justice policy and community share of costs, similar to health insurance, would then be challenged.

Private patient transport services do not compete on equal terms. In NSW they do not compete at all and are affectively shadow enterprises operating under loop holes in the act.

Ambulances Services, may well argue (and Paramedical Services believes they do) that competitive neutrality measures have no net benefit to anyone other than the ideological principle of competitive neutrality. In a real market, of competition, prices will reflect the full cost of producing a good or service after any adjustments for competitive advantages or disadvantages associated with government ownership and this may well prove an anathema to governments who might see such a market model as jeopardising other policies such as community service obligations deemed to be non-commercial programs and activities.

A significant issue for each jurisdiction policy maker, and for stakeholders, in this jurisdiction may well be the manner in which State owned Ambulance services manage their multiple roles. In Victoria state owned ambulance services manages the limited competition model, issues the tender and chooses the participant/s. In NSW it is the Health Department and similarly across Australia for other jurisdictions.

Within this context are the different charging models (of states and territories) used for metropolitan, and rural, non-emergency patient transport and monopoly access to government-funded health care and pension card holders under the above stated community service obligation and Medicare agreements.

Where a limited notion of competition does exist in Australia between State owned and private suppliers (that is for non - emergency service transport) there is a perceived bias in the allocation of jobs where private operators are being given more long-haul cases which over time causes a shift in costs thereby increasing the private provider charges. The true cost of transport is not charged by state owned

entities and cross subsidisation occurs from emergency services as well as within those services.

Current transport charges (prices) are not reflecting the rising cost of providing non-emergency patient transport in a manner similar to rising prices for health insurance which do reflect the market cost. Paramedical Services believes that State owned entities deliberately undercut private operators, resulting in urban, and rural, health services using State owned ambulances rather than private operators.

Funding arrangements under Medicare between the Commonwealth and the States constrain the ability of private operators to make full use of their resources and offer a premium service to public health services and where private providers operate it appears on face value that there are built in incentives for the State owned ambulance to allocate jobs and workload differently to private providers. The NSW EOI cited at the beginning of this submission clearly limits the private provider from using all of their resources.

State owned ambulance services can have multiple roles as a purchaser of non-emergency patient transport services, a sort of de facto regulator and provider of non-emergency patient transport services in competition with private providers for allocated work and as stated what they charge to exert subtle or not so subtle cost pressures. This is the case in Victoria. They hide behind statutory and policy responsibilities and the frameworks of different State owned enterprises operating models.

State ambulance entities have multiple service roles which are not available to private providers but should be with the appropriate regulatory controls, staffing, financial base, risk and their internal management structures being mandated for private providers. These being:

- emergency patient transport
- non-emergency patient transport
- air ambulance
- major incident management and response
- community education
- training programmes for industry .

**The Regulatory and Policy Environments**

Across Australia there are differing objectives of State owned ambulance services and management practices, responsibilities, powers and obligations of their Boards, and the powers of the Health Secretary, or Chief Executives, of State and Territory Health. One can look at the policy and funding guidelines issued by the State Health

Department to determine what is important in terms of Government expectations and the State or Territory Government budget context. Note the Northern Territory uses a private “not for profit provider” such as St John Ambulance or other.

- improvement of the non-emergency patient transport,
- service delivery
- resources
- increasing demand for ambulance and non-emergency patient transport services
- demand management
- substitution
- sustaining and growing revenue
- asset, building, information technology and other infrastructure replacement

**Funding Advantages of State Owned Ambulance Services**

Government Ambulance Services enjoy an advantage since they are funded from a number of sources, such as government, from ambulance membership schemes, fees from patient transport and paramedical treatment and philanthropic donations. Majority revenue well above 50% and even higher comes from Government, and probably an even match from memberships and transport charges. On the other side of the coin they are directed in what they charge and this can distort reality where community policies of Government come into play. Charges are not reflecting a true user pays recovery model.

If we look at the guiding directives as to why ambulance services exist we can transpose many of these to a private competition model as appropriate. Governments can implement a regulated and well managed competition framework of multiple providers.

- responding rapidly to a medical emergency;
- specialised paramedical skills to maintain life and to reduce injuries in emergency situations and moving people requiring specialist skills
- appropriately fitted transport facilities
- education and training

Where the model is a monopoly ambulance services carrying out any non-emergency function e.g. sitting at a race track or other sporting events, from which they can be called away due to an emergency; this has a range of knock-on consequences which could be devastating for Government’s and the event operator’s revenue. Private providers can alleviate this and critical resources of the ambulance service are available for the community.

## Non-Emergency Patient Transport

Non-emergency patient transport services largely occur on public roads to or from medical services clinics and hospitals, using a stretcher-carrying vehicle; or where the people being transported are provided with specialist paramedical clinical care or monitoring during the transport.

Non-emergency patient transport can be pre-booked or required on the same day but, in either situation it usually requires a practitioner or health care provider to expedite the booking on behalf of the patient.

Within this frame of reference Non-Emergency Patient Transport Regulations in differing jurisdictions generally specify the number and qualifications of staff needed to transport patients of different levels, acuity and equipment.

The people involved in the procurement of non-emergency patient transport are the ambulance providers, hospitals and healthcare providers.

The type of consumer of the service effects the model, particularly if the objective is cost recovery or where there are non-chargeable patients who do not pay, such as pension and healthcare card holders, ambulance subscription members and chargeable patients, there may be an obligation by state owned services to cover gaps in market not imposed on private providers much like the old Telecom community service obligation.

## The Pricing of Non-Emergency Patient Transport

Within the ambulance services regulatory role described previously there are some jurisdictions where the competitor is managing tendering, contracting and payment of private providers as is the case in Victoria. Where this exists the State Ambulance Service accepts or rejects the tendered prices of each operator, does a distance calculation such that private providers might receive a higher payment for longer trips than for local movements within a town between the relevant health facilities and may not differentiate for chargeable and non-chargeable patient categories.

The operation of the non-emergency patient transport is a complex policy environment where influences are important considerations in understanding how Australia came to this multi- functional and disparate set of policy models.

Non-Emergency Patient Transport models may allow for private sector involvement for non-emergency patient transports in some jurisdictions or they are being considered. In the case of NSW they are being implemented in a cumbersome

bureaucratically restricted policy process. However, other state government policy and funding considerations constrain private sector involvement in practice.

For example; the requirement that Commonwealth pension and healthcare card holder patients be transported without charge, and the funding for these individual patient transports being provided to the state owned ambulance service via Medicare agreements means that the potential market is effectively closed to private operators.

Transporting ambulance subscription members is closed to private operators.

**Opening up ambulance subscription insurance**

Private providers could enter into insurance coverage with private health funds offering a competitive ambulance insurance and transport service.

**The Business Test of a Competitive Market Model**

Where limited competition does exist it is at the discretion of the State owned enterprise or the Health Department. Under this scenario the only potential area of direct competition between State owned and private operators is in the chargeable area of the market. Entry into the broader market is determined by the relative Departments of Health which administer any licensing of private providers of non-emergency patient transport. As stated the NSW Director General of Health has never issued a private licence.

Differing state government policies and practices exert a direct influence on the market through decision making powers of the regulator, union awards and internal management decisions such as how many shifts to outsource, and how to outsource these to private operators. The rising costs of service delivery are putting pressure on the profitability of ambulance services. The profitability of operators may also reflect broader issues around the structure of the market including the number and size of operators. In the case of patient transport there must be an assessment and separation of the chargeable and non-chargeable transport categories.

Under the current models in Australia the non-chargeable categories are not likely, if at all, to be part of the contestable transport market. Private providers do not have access to this market as they cannot compete for these services as they do not receive any funding from the Government and the Government has established that ambulance services should provide these services. It is clear that private providers may not want to, or be able to, service all regions of a State, additionally call centres that direct ambulances services are owned by the ambulances services, or in the case of NSW the Hub is a construct of NSW Health, or they may be directed through

“000”. Side by side services would require a compatibility of operational services and infrastructure.

**Chargeable Non-Emergency Patient Transport**

The chargeable aspects of State owned ambulance service are a business, within the context of Competition Reform Policy, but data does not exist in jurisdictions to measure the value or otherwise of that business or the actual cost.

It may be that if known private competition might reduce costs in the order of 10% to 20% but who can tell? Who gets to decide that non-emergency transport is not of a size to warrant competition, the State owned ambulance service, the Department, the government, the ACCC? Governments are operating, and making policy decisions in a vacuum of data and this is not good commercial or social policy practice.

In some jurisdictions State owned ambulance services might actually reject medically sought, rural non-emergency transport where they do not have dedicated non-emergency patient resources available, and the state owned enterprise will not access private resources to provide transport in these circumstances. This is also is not good policy or business. Such observations of the current state will no doubt be rejected by the State ambulance services, health departments and governments.

Customers, such as hospitals and doctors, may not actively choose between private and public transport. Hospitals might (if allowed) call their own contracted provider if they have one. They may have selected these through a tender process perhaps, turning to the State owned ambulance if their own provider is unavailable. In NSW public hospitals cannot tender for their own services. Where other state or private hospitals and health services tender their non-emergency patient transport work or have developed their own transport, some State owned ambulance services do not participate in these tenders, effectively excluding themselves from the broader market. But there is no commonality across Australia. In some jurisdictions private ambulance operators cannot operate at all.

**Recommendations for Reforming Patient Transport**
**The Implementation of a Contestable Model**

Remove the regulatory and control capacity from the ambulance service.

Open market to full competition on all non-emergency patient services based on stringent registration.

The question of apportionment of costs needs to be reviewed and understood. It is Paramedical Services belief that if the true cost of the current transport of non-emergency patient transport is taken into account it would be clear that a dedicated service outside the State services would be considerably cheaper. If the ‘knock-on’ inefficiencies currently being are created are added in (bed occupation in hospitals et al) this would make the savings even greater. Paramedical Services believes that once the true costs are known that there would be a gain to Government by using private transport services. There should be a means test of those who require full subsidy versus those who can pay for the service.
We strongly recommend that a membership scheme through an insurance company be instigated that allows claims against a premium for the service.

The costs, as now, of comparing rural services and city/urban services will be disproportionate, the cost of rural services will continue to be greater and charged accordingly, the savings will still apply proportionately to rural and city areas.