

14 December 2011

AUDITOR-GENERAL'S REPORT **VISITING MEDICAL OFFICERS AND STAFF SPECIALISTS**

The public hospital system in New South Wales would not function without Visiting Medical Officers and Staff Specialists. They make up more than half of the 13,000 doctors working in public hospitals.

VMOs are doctors who often have their own private practices and work as contractors in public hospitals. Surgeons tend to be VMOs. Staff Specialists work full or part time, mainly in large hospitals. Emergency department doctors, psychiatrists and geriatricians are generally Staff Specialists.

This report looked at payments made to VMOs and Staff Specialists and also examined how well they are used to meet demand within the NSW hospital system.

Firstly, the adequacy of processes supporting payments to VMOs varies considerably across NSW public hospitals.

'At some public hospitals, mainly smaller ones, only very basic checks support payments to VMOs', explained Mr Achterstraat. 'If hospitals are not properly checking VMO claims they might be overpaying or underpaying them', he added.

The audit found some good examples of VMO payment processes. Every particular – date, patient name, rates, whether the procedure was carried out and if they were public or private patients – was checked and verified. These hospitals found errors in 10 to 18 per cent of VMO claims for payment. Errors included:

- multiple claims for the same service, including claims for more than one consultation for the same person on the same day
- the patient not being in the hospital on the day claimed.

'As VMOs are collectively paid over \$500 million per annum for their work in public hospitals, the dollar value of undetected errors could be significant,' Mr Achterstraat said.

Some doctors submit claims for payment irregularly or late, sometimes 12 months late or longer. One VMO has an estimated \$799,000 owing for 12 months of work and another has \$733,000 owing for 36 months of work. These outstanding claims need to be promptly processed and paid.

Secondly, NSW hospitals do not know if they are getting what they pay for from many of their staff specialists.

'Staff Specialists generally do not have to account for their time or activities', explained Mr Achterstraat. 'None of the hospitals we visited could tell us how many hours their staff specialists spent attending to patients, teaching, managing, researching and improving quality and processes', he added.

VMOs working in NSW public hospitals earn on average \$119,000 per annum treating public patients but earnings vary widely depending on hours worked and treatments delivered. Staff specialist remuneration in the public health system ranges from \$198,212 to \$390,528 per annum, excluding additional payments such as overtime.

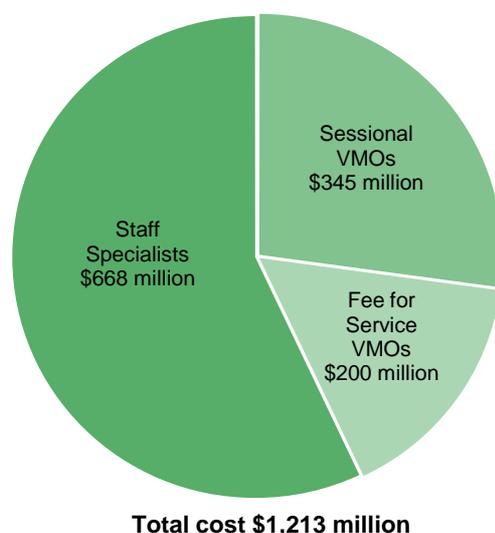
Full time Staff Specialists are also entitled to a training, education and study leave allowance of about \$29,400 per annum plus 25 calendar days of special leave for training per year.

'I am pleased that the NSW Ministry of Health is beginning to develop new systems to help hospital staff check VMO claims and to develop rosters for doctors, nurses and other health workers. Only then can hospitals be confident they know who should be on duty and what they should be doing', Mr Achterstraat said. 'I want the Ministry to speed up these improvements and make sure that the public get what they pay for and that doctors are where they should be', he added.

Further information

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Cost of VMOs and staff specialists to NSW Health in 2009–10



Source: NSW Health and Audit Office research

Doctors in NSW public hospitals - at June 2010

Designation	Numbers of staff
VMOs	4,594
Staff specialists	2,425
Clinical academics	184
Career medical officers	432
Registrars	2,955
Resident medical officers	1,586
Interns	656
Total	12,832

Note: all figures are full time equivalent except for VMOs, which are shown as the number of individual doctors.

Source: NSW Health and Audit Office research

Number of VMO appointments and staff specialists by area health service 2009–10

	Greater Southern	Greater Western	Hunter New England	North Coast	Northern Sydney Central Coast	South Eastern Sydney Illawarra	Sydney South West	Sydney West	Children's Hospital Westmead	Justice Health
VMOs	597	668	903	1,112	958	941	1,044	612	91	86
Staff specialists	24	37	358	46	307	467	583	412	163	28

Note: this table shows the number of VMO appointments. This exceeds the number of VMOs (4,594 individual doctors as shown in Exhibit 1) because some hold contracts with more than one hospital. Since 2009–10 the above area health services have been reorganised into local health districts.

Source: NSW Health