Ambulance Usage Fee

Submission to the Tasmanian Government in response to the proposed Ambulance Usage Fee.

A working party established by Ambulance 2020 on behalf of TAS Ambulance personnel prepared this submission.

Ambulance 2020
PO Box 635
NORTH HOBART TAS 7002
Phone 1300 880 032

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Executive Summary

In June 2007 as part of the 2007-2008 Budget the Tasmanian State Government announced that it would be introducing an Ambulance Usage Fee. This submission is a response to that announcement.

Ambulance 2020 congratulates the State Government for recognising that the Tasmanian Ambulance Service (TAS) requires additional funding to adequately resource its operations. In particular, the Ambulance Service will need to meet the increase in community demand on ambulance services and the additional demands that the Government's recently announced Clinical Services and Primary Health Service Plans will create on the Tasmanian Ambulance Service.

Ambulance 2020 believes however, that the introduction of an Ambulance Usage Fee will not provide reliable and sustainable funding for the TAS and has concerns about social equity issues associated with the fee's introduction. Ambulance 2020 believes that the introduction of a broad-based Ambulance Levy would offer a more consistent and equitable funding source.

There is evidence from other states that shows that there are a number of issues relating to a fee system that will impact on our members and are concerning to them. In particular, the likelihood of refusal of transport by patients, the potential for bad debts, increase in workload and the possibility of hostility from patients because of the fee.

There is also reliable evidence from other states that illustrates that a fee system will not deliver the amount of funding that the Government announced that it was expecting to receive. As the principle underpinning the fee is a "charge for use" arrangement, or a subscription system, a number of concerns have been expressed that the uptake on subscription schemes is limited and does not contribute significantly to the overall funding of ambulance services. Additionally, experiences in other states have raised concerns about the capacity of many people to pay the ambulance fee, and tell disturbing stories about patients refusing transport when it is medically essential.

Interstate experience has shown that there was no reduction in non-emergency cases once fees are removed, any increase in workload came with more appropriate utilisation of the Ambulance Service as any increase in workload was generally in the emergency categories. This illustrates that the impact of a fee is that people who genuinely require an Ambulance will often not call one when it is needed.

The system in place in Queensland, that of an Ambulance Levy, provides certainty of funding, is equitable, allows discounts for those with limited capacity to pay, and has had negligible impact on employee workload. Ambulance 2020 recommends that the Government introduce an Ambulance Levy instead of an Ambulance Usage Fee, and that all funds that are raised be applied directly to the Tasmanian Ambulance Service, and be in addition to current budgets.

Introduction

Ambulance 2020 is a grouping of the Australian College of Health Professionals, the Health and Community Services Union and the Volunteer Ambulance Officers Association of Tasmania. This body represents all the employees and volunteers of the Tasmanian Ambulance Service (TAS) and as such, provides a common viewpoint on issues affecting the 750 members of Ambulance 2020.

In particular, because the grouping represents all of the operational officials of the Tasmanian Ambulance Service, we are able to offer opinion on the impact of Government decisions on the operation of the Tasmanian Ambulance Service.

The Tasmanian Ambulance Service consists of around 250 paid officers and 500 volunteer officers. In 2006 TAS treated or transported 62,000 patients. Ambulance use is increasing Australia wide at a rate of approximately 7% per year, which brings challenges in relation to funding this additional demand. Additionally, the recently announced Tasmanian Government Health Plan outlined that additional resources would be required from the Tasmanian Ambulance Service to ensure that the Health Plan was feasible. It has been widely reported that the TAS has struggled to keep up with increased demand, training and equipment over previous years. The TAS will not be able to keep up with the demand associated with the Governments future plans for health without a significant and immediate injection of funds and a stable and reliable funding base into the future. Increasing use of Ambulance means a requirement for increasing resources.

Prior to the recent Government announcement of the introduction of an Ambulance Usage Fee, TAS has been almost entirely a “free” service provided by the Government. Its operational costs are around $30 million per year.

Ambulance Fee

In the budget announcement of 2007, the Tasmanian Government announced the introduction of an Ambulance Fee to be charged for each treatment or transport. It was originally estimated that this fee would be approximately $690.00 per use, but subsequent publicity suggests fees starting at $960. There is still no information on the costs of longer transports or air ambulance or helicopter trips. It was also announced that there would be a subscription system introduced through health insurance schemes, where community members could pay an annual fee to be covered for Ambulance transport.

Limited information has been released in relation to the application of the fee or the subscription scheme. It has been presumed that Ambulance Officers would be administering the fee.

Concerns about Ambulance Fee

Members of Ambulance 2020 hold many concerns about an Ambulance Fee. These concerns fit into three broad areas. These are social equity matters surrounding an Ambulance Usage Fee, the impact on workload that a fee would introduce and whether or not a fee would provide certainty of funding. Representatives from the Ambulance Services in other states were contacted to look at what currently occurs with their funding arrangements, and this interstate research has shown that these concerns are not unfounded and that issues relating to all of these areas have credence.

A patient's decision to call an ambulance for transport to the hospital is influenced by personal circumstances. Each patient has specific reasons for using an ambulance, and whether ambulance use is justified on that occasion for that patient is difficult to determine. These reasons include heightened perception of urgency, lack of access to alternative transport and primary care, the belief that arrival at the hospital by ambulance will reduce waiting time to see a doctor, and crucially, the personal financial cost of using an ambulance.

Will there be a reduction in the number of non-emergency cases due to the introduction of a fee? In 2005-2006, only 17% of cases in Tasmania were non-emergency, compared with a National Average of 27%. Indeed, this difference could be seen to be related to schemes in other states – because people "pay" for the Ambulance Service, it gives them the perception of the right, as consumers, to use it.

Interstate experience has shown that there was no reduction in non-emergency cases once fees are removed – any increase in workload came with more appropriate utilization of the Ambulance Service as any increase in workload was generally in the greater emergency categories. This illustrates that the impact of a fee is that people who genuinely require an Ambulance will often not call one when it is needed. In other words, under a fee-for-service system, many people – sometimes 20% of cases – who *should* have been calling ambulances were not doing so, with consequent risk to their health outcomes. Once a fee was removed, the percentage of these cases calling for an ambulance increased, to a safer and more appropriate level.

Health Insurance

The Government announced that it would be collecting subscriptions through Private Health Insurance Schemes, however it has not provided any information about the format of the proposed Health Insurance Subscriptions.

Health Insurance plays a different role in different states in relation to funding for Ambulance Services. In all states apart from Queensland and Tasmania, Ambulance Insurance is available through Health Insurance companies. In the majority of states, health insurance coverage for Ambulance is restricted, as insurance companies have recognised that the risk of people requiring Ambulance transport is limited, so have reduced their premiums by narrowiing the cases that they pay for, and by paying the fee charged, as opposed to paying a subscription fee for each person.

The limit on cases that they will actually cover has led to a number of “insured” people being denied payment of ambulance costs and having to pay the bill themselves. Below is an extract from the MBF Health Insurance website, outlining Ambulance Cover –

With MBF Emergency Ambulance cover, you're covered for 100% of recognised casualty or medical emergency transportation costs, up to $5,000 per person, per year in total, anywhere in Australia. That includes the cost of emergency air ambulance services, excluding helicopter services.

Please note that not all air services (including helicopter services) and road transport services are operated by state or territory governments or an organisation recognised by MBF.

MBF Emergency Ambulance cover is designed to protect you against the cost of ambulance transport received due to emergencies. Non-emergency ambulance charges, or charges for interhospital transfers which occur as part of hospital treatment, are not covered, unless you have prior approval from MBF. Please note: Benefits are only available for emergency or casualty transportation where, in the opinion of a medical officer, a member requires immediate treatment in circumstances where there is serious threat to the member's life or health. Benefits are not payable for transportation from a hospital to your home, nursing home or other hospital, or for transportation for ongoing medical treatment.

An example of the complications caused by this fiscal approach to whether or not an ambulance should be paid for can be seen in a case described by Queensland Ambulance Service officers. A 25 year old woman fell from a tree approximately 4 meters to the ground. Apart from a few bruises and some tenderness she appeared to be fine but a by-passer had seen her fall and so called an ambulance. The ambulance crew arrived and recognised that the fall, being in excess of 3 metres, fitted into the significant mechanism criteria as described in international literature on trauma. Such a mechanism means the person could have a significant hidden injury such as a ruptured spleen. The crew therefore transported the patient to hospital for further monitoring. The hospital assessed the patient and after a period of observation discharged her from the Emergency Department, finding that she had no injury. The woman received a bill from the Ambulance Service for approximately $700. The woman took this bill to the health insurance company which refused to pay it as it stated that her lack of injuries meant she did not need ambulance transport.

Similar stories were encountered in Queensland where health insurance companies refused to pay for the ambulance: Patients with fractured arms who were considered able to be transported by car; and a patient with pre-eclampsia (a serious and potentially life threatening condition in pregnancy) was not considered an emergency by the health insurance company. This strategy of insurance companies to insure against the risk and then try to minimize the costs to themselves by selecting – after the fact - which cases they will pay for left many people who thought they were covered for ambulance transport being faced with a hefty bill.

In NSW and ACT, health insurance companies pay a levy to the Government on behalf of Ambulance Insurance Subscribers. This Health Insurance Levy (HIL) applies to all organisations that provide health benefits to NSW contributors. The size of the levy paid by each organisation is calculated based on the number of single people and families who contribute to that organisation. But as less than half of the population has private health insurance, it only provides limited funding to the Ambulance Service.

Social Equity

The principal concern raised by members was that an Ambulance Usage Fee is not socially equitable, and will target the sick, elderly and disadvantaged. 20% of Tasmania's population is over 60 years of age, this demographic accounted for around 40% of the ambulance transports for the previous year.

Additionally, the introduction of an Ambulance Usage Fee will have an enormous impact on lower socio-economic areas. Aged pensioners and Health Care Card holders will find it difficult to afford fees or subscriptions, and aged or disabled pensioners are those most likely to require Ambulance Services. The introduction of a fee will mean, in potentially life threatening situations, that people will need to make an assessment of their financial circumstances prior to calling an ambulance.

It is also likely that the proposed Ambulance Usage Fee will discriminate against rural and remote Tasmanians, if there are differential charges for distance. Further, in isolated areas like King and Flinders Islands and the West Coast, for operational reasons TAS chooses to use air ambulance or helicopter in a broad range of cases. These citizens face the real risk of being presented with a bill of several thousands of dollars which an insurance company refuses to pay because the case did not fit the company's definition of emergency, yet if they had lived in the cities the same transport would have been considerably cheaper, and more likely to be covered by health insurance.

Other options for subscription type schemes include direct Ambulance Service Subscriptions, where a subscription scheme is run directly by the State Ambulance Service and administered by the service. Reports from other states indicate that the majority of people who directly subscribe to the Ambulance Service are within the age group of those that are most likely to use Ambulance. Unfortunately, this then leads to an Ambulance subscription scheme being impractical, as the revenue raised can sometimes not cover the costs of administering the subscription. Older patients place high demands on ambulance services, Emergency Departments, and hospital beds. The elderly have more acute illnesses, are more likely to be admitted to hospital, and have reduced ability to use, and access to, non-ambulance transport.

The economies of scale in a small population like Tasmania also determine that subscription schemes which might be viable in states with several million citizens will not be feasible here.

In relation to Ambulance Usage Fees, debt recovery has shown itself to be an enormous issue interstate. Many of the invoices that interstate Ambulance Service send directly to users are never paid. In NSW, 47% of the amount that is invoiced to users is written off as bad or doubtful debts. The level of non-payment of ambulance service invoices is similarly high in other states and territories. This leaves ambulance services with the dilemma of a serious deficiency in projected funding, and constant bureaucratic arguing between Treasury, who point to invoices created, and ambulance officials, who point to monies received.

Workload Impact

Reviews of Ambulance Services in other states show that fees create additional workload for Ambulance Officers. For a service that is already understaffed, this additional workload generates further concerns in relation to available resources. On top of these further requirements, officers interstate have reported patient hostility in relation to the Ambulance Usage Fees.

Interstate, Ambulance Officers are required to act as billing agents when they are on a case, and are required to provide quotes for Ambulance Fees. Our members were horrified to discover that many interstate ambulances carry receipt books: thereby placing a financial transaction in the middle of an emotionally and physically stressful time. Ambulance Officers want to be helpers and carers, not money collectors.

In small communities – where volunteers provide much of the ambulance response – we have heard many concerns that people who are unwell or injured will go directly to the volunteer's home and seek a 'consultation' in order to avoid the cost of an ambulance callout. This situation is unacceptably stressful for the volunteer, and a dangerous delay for the patient.

In an economic and social environment where volunteers are increasingly difficult to recruit and retain, the prospect of having to charge neighbours and community members for a service for which they do not themselves get paid is unacceptable to many volunteers, and will certainly lead to resignations.

The introduction of Ambulance Fees will not impact in a satisfactory way on Ambulance Workload. Interstate experiences have shown that 'nuisance calls' in fact increased, because some people with health insurance or workers compensation cover decide that 'I've paid for it, so I'll call an ambulance'. This is particularly important in places and at times where there was an expectation of long waiting times in Accident and Emergency Departments, On the other hand, the research showed that a significant number of people whose condition determined that they should have been calling an ambulance in fact were not, with the financial cost being stated as a major impediment. In Queensland, when fees were removed for pensioners in 1999, there was an increase in ambulance cases, mainly at the serious end of the scale, meaning that more pensioners now felt able to call an ambulance.

So, in summary, interstate research demonstrates that imposing an ambulance usage fee does not significantly reduce the number of calls; it just reduces the number of sick people who go to hospital by ambulance. The other number our interstate colleagues are most concerned about is their perception of the number of people who died because they did not call an ambulance.

Interstate Comparisons

Other states run a variety of different Ambulance Funding Schemes, ranging from a health insurance levy in NSW, subscription schemes directly run by the State Ambulance Services and charge for use (Ambulance Usage Fees) arrangements. The amount of fees also vary widely between states.

Fee structures and subscription schemes are largely unsuccessful. This is best evidenced by Queensland, who operated a fee system until 2003, when they switched to a levy on household power bills. This new system is successful, provides regular and predictable income to the Ambulance Service, and does not have the high administration costs other states experience.

In NSW and ACT, a health insurance levy system similar to the one proposed by the Tasmanian State Government is in place. Health Insurance companies pay a small levy on an annual basis to the State Government. In NSW, the Independent Pricing and Regulatory Tribunal has recommended to the Government that they introduce a levy to be applied to all of the community. Similarly, in the ACT, the Independent Competition and Regulatory Commission made a similar recommendation earlier this year.

ACT raised their fees in 2006 to $670.00 per trip, which has coincided with a large increase in complaints against the Ambulance Service and refusal to pay fees. Complaints such as – “the stretcher scratched my wall” or “the paramedic broke a pot plant” are some reasons given as a basis for disputing accounts.

Issues in all states with an Ambulance Usage Fee are similar. There is a high incidence of unpaid accounts, fees do not raise enough revenue, the amount that is raised is unpredictable and there are large numbers of people driving themselves to hospital in life threatening situations because they can’t afford the fee.

STATE COMPARISONS

State	Funding Structure	Average Fee Cost Per Trip (2003-04)[1]	% of Revenue Obtained From Fees[2]	Subscription Cost (annual via private health insurance)[3]	% of Revenue Obtained by Subscription[2]	% Direct State Revenue[2]
ACT	Levy on private health insurance and fee for use for others	$670.00[4]	6.1	$36.60	0**	52.5
NSW	Levy on private health insurance and fee for use for others	$224.22	19.5	$36.60	0**	77.5
NT	Subscription scheme and fee for use	$931.00	9.4	$39.00	3.2	61.2
QLD*	Government Levy	$800.00p/a	16.3	0	0	79.3
SA	Subscription scheme and fee for use	$726.00	34.1	$39.00	16.2	46.8
VIC	Subscription scheme and fee for use	$949.36	18.6	$39.00	18.4	56.6
TAS*	Nil	$706.46	15.6	0	0	82.1
WA	Subscription scheme and fee for use	$499.00	58.3	$34.20	2.4	17.7

*States that do not have a fee for use (Tasmania and QLD) still collect fees from patient transfers, motor vehicle and workers compensation among others.

** Health Insurance Subscription scheme counted under Direct State Revenue.

[1] Independent Competition and Regulatory Commission, "*Regulatory Reference: ACT Ambulance Service Fees and Charges*", 2007

[2] Independent Pricing And Regulatory Tribunal, "Ambulance Demand : Funding and Forecasting", 2005

[3] Medibank Private Ambulance Cover costs

[4] ACT Ambulance Fees increased to this amount in 2006, in 2003-2004 they were $317.00

Research Trip

It rapidly became apparent that fee structures and subscription schemes are largely unsuccessful due to significant numbers of bad debts and high costs in administration. The system in place in QLD, that of a community based Ambulance Levy, was reported to be successful, provided regular and predictable funding to the Ambulance Service and addressed the majority of the concerns that Ambulance 2020 members had. In addition, because QLD previously operated under a fee system, they are able to provide information on the impact of both funding structures.

To explore the issue of ambulance funding, Ambulance 2020 sent a research team to Queensland to investigate the issues that led to the QLD Government's decision to introduce an Ambulance Levy in 2003.

Prior to the introduction of the Community Ambulance Cover (CAC) levy the Queensland Ambulance Service (QAS) maintained a subscription scheme that was a leftover from the amalgamation of the 96 Queensland Ambulance Transport Brigades (QATB) when the QAS was formed in 1991.

The subscription system was introduced into the ambulance service in Queensland under their old QATB system. The Queensland Ambulance Service was at this stage divided up into numerous small areas running their own ambulance transport brigades. Each of these brigades were run by a community board which generally required their staff to sell raffle tickets etc as means of raising funds to run the service. Staff were also required to encourage community members to take out ambulance subscriptions. These subscriptions were a form of insurance against a fee for the ambulance. If people did not pay a subscription they would be charged for the ambulance when they needed it.

The ambulance subscription scheme was voluntary and people could opt in or take the risk in regards to receiving a bill for service if they were not a member of the subscription scheme. Interhospital transfers and workers compensation cases were charged to respective hospitals and insurance companies. The scheme required ambulance officers to be part of the marketing strategy and most ambulance stations were used as offices for the collection and receipt of fees and charges. This placed an unnecessary administrative load on operational ambulance staff. In some cases ambulances carried receipt books so as to be able to collected money whilst away from stations.

Staff spoken to indicated that there was a reluctance on the part of officers to accurately record billing details for people who required an ambulance, but did not have a current subscription, as the last thing someone needed when they were seriously ill or injured was to be concerned about a bill. Also, staff told us that patients were often disinclined to give their details to ambulance officers as they realized this would result in a significant bill. There was also hostility on the part of patients who would had recently had a bill for another ambulance case – understandable if they were sick enough to require repeated ambulance transport.

The uptake on the subscription scheme was around 20% which was similar to that reported by other states with similar schemes. This meant 80% of the state's population were liable for ambulance bills. Many of the bills were never sent as it was not possible to get accurate billing information

from all patients (and some staff did not consistently obtain this information). Another large proportion of these bills were never paid as the people who required an ambulance were often unable to afford an ambulance bill, especially at a time when they were seriously ill or injured. The ambulance service tried to recover the outstanding fees and so spent a considerable amount of their budget chasing bad debt – much of which was later written off. An extreme example was of one patient who had in excess of 300 ambulance calls over a period of 10 years – this debt had to be written off.

Traditionally private health insurance companies offered a rebate on the ambulance subscription to their members. The introduction of the Commonwealth Government’s 30% health insurance rebate excluded the voluntary ambulance subscription scheme. Private health insurance companies decide to take on the risk by offering to pay for actual ambulance transport though their schemes. This lead to a significant “dropout” of people taking up or renewing subscriptions. This placed a huge pressure on the viability of the subscription scheme, especially as the administration costs of the scheme still had to be factored in.

The private health insurance companies would determine (usually outcome based) whether the ambulance trip constituted an emergency. This lead to refusal to pay in some cases even though the person assumed the ambulance transport was deemed to be an emergency. There are many stories of people who had claims for payment denied because the insurance company decided that the ambulance transport was not medically indicated. Many of these people were informed by ambulance staff that they should be transported to be checked out (often based on time critical guidelines). When the patient was cleared of any injury the insurance company would deem, after the fact, that because of this clearance that the transport was not deemed medically indicated.

It was recognized that the QAS fee system was not efficient in terms of producing a cost effective way of raising funds for the ambulance service. The amount of money raised could not easily be predicted and so the treasury contribution required to fund the ambulance service was difficult to predict. The amount of staff and resources required to administer this system was significant and as such a lot of the money raised was lost into this bureaucracy rather than into funding the ambulance service.

The fear of a fee for the ambulance would also discourage people who should have used the service from calling or as some QAS staff noted “People would ring up and ask how much an ambulance would cost and then decide not to have an ambulance – they’d bundle little Johnny with his broken leg into the back of the car to be transported in pain and at risk of complicating his injury”.

In 2003 the Queensland Government changed the system from a fee / subscription system to a levy. The levy was attached to the electricity bill so that the cost of the service was distributed throughout the community. Ambulance transport was made free for all Queensland residents. The current cost of the ambulance levy is approximately $24 per quarter, per household. In Queensland this raises in excess of $100 million. It is an easy system to administer and the amount of bad debt is negligible.

More important that this, the system has a high degree of social justice. Everyone pays for the system and people do not have to second guess whether or not they can afford to call for an ambulance. The system is equitable and accessible to all Queensland residents.

In Queensland, before the removal of the ambulance fee only 81% of Category 1 patients were taken to hospital by the ambulance service. After the service was made free to Queensland residents the percentage of Category 1 patients taken to hospital by ambulance increased to 89%. This was a significant improvement – it is still a concern that 11% of Category 1 patients arrive at hospital without utilising the ambulance service.

There will always be people who will call an ambulance when it is not required for a range of reasons. An example which was highlighted by QAS staff was an office worker that got a bad paper cut that bled for a short period of time. When asked why they needed an ambulance the caller said "We need this injury looked at as it's a workplace injury and we've paid for an ambulance." This type of abuse of the ambulance service did not seem to be reflected in the change in case numbers. The number of lower acuity cases did not increase significantly with the introduction of a levy and free service, the largest increase in cases was in the serious cases that previously were taken in by private car.

This concept of removing a fee for an emergency ambulance actually seemed to increase the appropriate utilization of the service.

Levy Proposal

We congratulate the Tasmanian State Government for recognising that the Tasmanian Ambulance Service requires greater funding. It is of concern however, that TAS will be subject to a funding model that other states regard as ineffective and are tending to move away from. It is also of concern to Ambulance practitioners to see a system introduced which negatively impacts on people when they are at their most vulnerable.

Ambulance 2020 believes that the State Government should introduce a broad based Ambulance Levy instead of a fee for use. A levy system has a high degree of social fairness. Everyone automatically pays a small amount for the Ambulance and so do not have to second guess whether or not they can afford it if they become sick or injured. An ambulance Levy is more equitable and transparent.

The proposed health insurance scheme can be viewed as precarious coverage at best. It can be seen to be a portion of the community subsidizing the whole. In addition, as the majority of health insurance companies limit their coverage in relation to Ambulance transport, members of the community have no way of ensuring that they are completely covered against the possibility of requiring ambulance transport. Insurance companies will generally not cover ambulance use for cases such as pre-eclampsia or fractures, and their model of deciding *after the fact* is at odds with the teaching of first aiders to operate on the precautionary principle Complications to injuries or illnesses can occur if patients do not get appropriate pre-hospital care – if they wait to contact an ambulance or they are transported by car, - with consequent extra cost to the health system. So, what the Tasmanian community may have saved in ambulance transport will be lost in longer hospital stays.

The introduction of an Ambulance Usage Fee will mean that people are not confident about phoning an Ambulance when it may be required. Any delay in seeking urgent medical attention can be crucial. Experience in other states has also shown that a decision to call an ambulance is often based on “quotes” provided by ambulance staff and the patient’s financial circumstances. In a service that is already understaffed, making ambulance officers into quotation and billing agents can only increase response times, and reduce morale.

Importantly, the Ambulance Service requires sustainable funding into the future. With an ageing population and in line with the Government’s Clinical Services and Primary Health Services Plans, the community is becoming increasingly reliant on Ambulance transport. In Tasmania, demand has increased by 7% annually, a statistic that is mirrored around Australia. A levy system, where the entire community is contributing a small amount, is more predictable and sustainable in the long term. Increasing demand and prior underfunding of the service means that sustainable and increased funding will be essential.

A crucial issue for the Ambulance 2020 group is that all funds raised in the name of an Ambulance Levy (or fee in any form), be applied directly to the Tasmanian Ambulance Service, and be in addition to currently budgeted funding.

There must be a transparent process of providing appropriate and reliable funding to a beleaguered essential service, and not a cynical way of ‘pulling a swiftie’ on the public by raising money in the name of one service and then using it for other purposes.

Options for applying a levy are listed below. One or a combination of these could be used.

Household contents insurance—This method of levy collection would be similar in concept to the NSW and ACT levy on health insurance. Further study would be required to see whether the coverage of the Tasmanian population would be greater than for health insurance. Further consideration would also have to be given to the legislative changes required to allow the Government to apply this levy.

Electricity—The Queensland Government has recently introduced a levy to fund its emergency ambulance service through the electricity billing system. The benefit of using electricity as the vehicle is that most Queensland residents use electricity and therefore a levy on electricity will reach a large target population. In addition, the Queensland Government owns the electricity supply companies, making control over the levy collection process easier. However, while electricity is widely used by the population, electricity bills are incurred by both households and businesses, it may be necessary to differentiate between business and private accounts. In addition, some residents may own more than one property, leading to the raising of duplicate levies. Electricity bills do not identify the number of residents in the house, meaning that there will be a degree of cross-subsidy from small households to larger ones.

Water—A levy on water usage, like a levy on electricity usage, would reach a broad cross-section of Tasmanian residents. It also would reach most business premises.

Telephone—Telephones have a very broad share of the Tasmanian consumer market. While most households and business premises have land lines, many individuals also have mobile phone accounts. The telephone account may be a better vehicle to reach the individual resident than a utility account. However, telephone services are provided by a number of commercial providers, and some residents may have multiple accounts and multiple providers. This would make the telephone bill more complex than the other options and may result in significant double counting.

Vehicle registration—Vehicle registrations do not represent as large a section of the population as telephone, electricity or water usage. There would also be significant scope for duplication, as numerous owners have more than one vehicle registered.

Driver’s licences—Driver’s licences would have broader market coverage than vehicle registrations and would target individuals rather than households or vehicle owners. There would also be very little scope for duplication. The downside of using vehicle licences as the collection mechanism would be that licences can be issued at intervals of five years, which is too long to wait for funding, so an interim funding mechanism may also need to be found.

Rates—Rates on residential and commercial properties provide an option for collecting a universal levy for emergency ambulance services. There are some duplication issues around rental premises subject to land tax. The owners, rather than the tenants, would be levied, meaning that they could end up paying multiple levies unless the costs related to rented properties could be passed on to tenants via the rent.

Clinical Services Plan

The Clinical Services Plan (CSP) sets the agenda for a new direction in the provision of ambulance, retrieval and patient transport services for Tasmania. Some of the key recommendations from the CSP that will impact upon ambulance and patient transport services include:

- Develop a modern strategy for transport and retrieval services in response to the proposed reconfiguration of public acute services.
- Consider implementing a state-wide service for central coordination of the Patient Transport Service and medical retrieval services to enhance service quality, optimise appropriate resource utilisation and improve service efficiencies.
- Develop a strategy for the retention of volunteer ambulance service providers and develop targeted strategies for the recruitment and retention of paramedic officers.
- Review training opportunities for new Tasmanian Ambulance Service staff and for continuing professional development, reaccreditation, and skills training for all staff. A well resourced professional development and reaccreditation program is required.
- Expanded scope of practice for paramedics should be considered. The paramedic practitioner model has the potential to reduce demand for acute services.

Other key factors that will impact upon ambulance services are the increasing demand for ambulance services and ambulance caseload. These are being driven by ageing of the population, health sector trends, advances in diagnostic and treatment technologies, changes to the availability of primary care services, and a changing medico-legal environment. These factors will place significant strain on the ability of the ambulance service to meet this changing environment.

To implement the above strategies will require a significant increase in funding and resources to the Tasmanian Ambulance Service. These strategies will require a significant increase in human and physical resources that is currently unavailable to the TAS with its current funding arrangements.

One of the key statements in the CSP is the "enhancement of Ambulance and patient transport services to ensure accessibility." The introduction of an ambulance fee may be a barrier to ensuring accessibility for all Tasmanians. The centralisation of some services may mean that Tasmanians will require the use of ambulance or patient transport services to access medical and/or diagnostic facilities. The introduction of an ambulance fee arrangement may place extra financial burden on patients to access these centralised services. The use of a broad-based levy system would ensure that access to these services as well as emergency ambulances will be equitable.

Conclusion

The Ambulance 2020 group was formed specifically to inform stakeholders, decision makers and the public about the perils of the proposed Ambulance Usage Fee. There is a small window of time to get it right: to implement a broad based levy which is safe, socially equitable, and provides a dedicated and reliable form of funding to ensure TAS is able to meet and exceed community expectations into the future.

We strongly recommend that the Government reconsider the Ambulance Usage Fee, and instead implement a broad based levy. We further urge that all funds raised by this new system be applied directly to the Tasmanian Ambulance Service, and be in addition to currently budgeted funding.