DUNSTAN HOSPITAL SITUATION INEVITABLE CONSEQUENCE OF OUTSOURCING RURAL HOSPITALS

“The threatened loss of services at Dunstan Hospital in central Otago is a stark reminder of what’s at stake when district health boards contract out rural hospitals and then abrogate their responsibilities for ensuring they are properly funded,” says Ian Powell, Executive Director of the Association of Salaried Medical Specialists (ASMS).

Dunstan Hospital in Clyde is warning it won’t be able to maintain its current services if the Southern District Health Board goes ahead with plans to cut its funding by 5% for the next financial year, reports Radio New Zealand and the Southland Times.

Dunstan Hospital is run by a community-owned not-for-profit organisation and receives most of its funding from the Southern DHB.

Mr Powell says community trusts running hospitals inevitably find themselves under financial pressure.

“There’s nothing surprising about the situation Dunstan Hospital finds itself in, as this is an expected consequence of the DHB shifting the cost of health services and governance onto the community,” he says.

“A similar risk exists for Queenstown’s Lakes District Hospital, where we’ve seen indications the DHB plans to backtrack on a commitment it gave several years ago to retain the hospital and health services.
“If the DHB does go down the path of handing over the keys to Lakes District Hospital, the same thing will happen there as at Dunstan – the DHB will control the funding but avoid responsibility for any inability to maintain the current level of health services.”

ENDS

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