

Objection to BUPA getting Approved Provider Status

11 October 2007

APPROVED PROVIDER STATUS APPLICATION
ASSISTANT STATE MANAGER
AGEING AND AGED CARE
DEPARTMENT OF HEALTH AND AGEING
GPO Box 9848
Brisbane
QLD 4001

Dear Sir/Madam,

Is BUPA a “suitable” organization to be entrusted with the care of frail nursing home residents? An Objection.

You will have in your possession my objection to the purchase of DCA nursing homes by a Citigroup consortium dated 27 September 2006. You will recall that Citigroup was not required to apply for approval status because of a glaring loophole in the regulations – a loophole which raised serious questions about the assurances I had previously been given about the regulations.

I would also remind you that although I had asked for acknowledgement and been assured of an early response by phone it was not until February 2007, 5 months later that I received a reply. This deprived Australian citizens of their democratic right to be informed and to debate the issues while they were topical. I believe that this was deliberate and unconscionable conduct. It raises serious questions about the independence of statutory bodies and government agencies responsible to Australian citizens. It points to unacceptable interference by politicians, or some other interested parties. I took the matter up with politicians.

I subsequently received a reply on behalf of the Hon Tony Abbott, Minister for Health and Aging dated June 7, 2007, and a copy of another letter from the Hon Christopher Pyne, Minister for Aging to a member of parliament dated Jun 19, 2007. Both gave assurances that changes were being made to ensure that this did not happen again and that the regulations would operate as they claimed they were intended to. The details of what happened and copies of the correspondence are publicly available at http://www.corpmedinfo.com/dca_sale.html.

On October 4th I sent a fax followed by a letter to Ms Prue Karmel at the Department of Aging asking urgently for an assurance that BUPA which has now purchased a controlling holding in the DCA nursing homes will be required to seek approval status in its own right. The concern is that the body charged with representing our community and charged with protecting citizens from the risk of harm by unsuitable providers and owners, be given the opportunity to do so..

In spite of the urgency of my request I have not had the curtesy of a reply from Ms Karmel. It concerns me that the promised regulations may not be in place and that

BUPA will not be seeking appropriate approval. In the absence of confirmation I draw the following to your attention.

BUPA has shown itself to be particularly commercially aggressive in its competitive marketplace disputes. It has not hesitated to put those for whom it has assumed responsibility to considerable stress and inconvenience – if not at risk in order to protect its own bottom line. I respectfully suggest that it is not the sort of organization which should be entrusted with responsibility for care in such a vulnerable sector, nor should it be in a position to control the way nursing homes it owns are funded.

A good example of this propensity to behavior that threatens the sector was the aggressive dispute between BUPA and Healthscope in 2003. In that dispute not only sick citizens but the entire health system became the meat in the sandwich. In that instance the younger and politically active citizens were able to take the matter to the press, and pressure politicians and the parties to a resolution. BUPA was more recalcitrant in resisting that pressure and consequently came out on top in the commercial dispute. I wrote an analysis of this dispute in May 2005. This is available at http://www.corpmedinfo.com/healthscope_bupa.html. I attach a printed copy to this letter.

The situation in nursing homes is very different. The frail and mentally compromised are not only unable to protect themselves in this aggressive environment but should not be expected to do so. In a similar situation not only would they be caused needless anxiety but they would not have the resources to act and the consequences for their care would be far greater.

If the intention of the approval process is to protect the vulnerable and frail elderly then I believe that it is essential that those charged with the responsibility for protecting the vulnerable carefully examine BUPA's commercial activities in the light of their possible adverse consequences. Corporate behavior is a cultural attribute and does not change when a company operates in different sectors.

I respectfully submit that organizations of this sort are not “suitable” organisations to operate in the nursing home sector, in the common understanding of the word “suitable”.

BUPA's operations are Australia wide. I would be grateful if you would ensure that other states are informed about these issues and that they receive Australia wide attention.

Yours sincerely,

Attached web page :- “Healthscope : The Battle with BUPA”
Copies:- All Australian states.

J Michael Wynne