

THE SATURDAY PAPER

NEWS

The awarding of \$57 million in coronavirus-related contracts to the for-profit healthcare provider Aspen Medical is raising questions about state and federal governments' continued willingness to outsource what were once public-led health responses. By *Antony Loewenstein*.

Aspen Medical's Covid-19 contracts



Site works of a medical facility developed by Aspen Medical in Canberra.

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In the early weeks of the Covid-19 pandemic, the ACT was worried the virus would overwhelm its hospital system. There were only 50 intensive care unit beds in the territory; the aim was to reach 170.

In early April, it was announced that Aspen Medical, an Australian for-profit healthcare provider, had secured a contract worth \$23 million – without a tender process, due to legal exemptions during an emergency – to establish a pop-up emergency department by May. Aspen would run the facility, providing 50 beds and about 200 staff.

During a visit to the site in early April, ACT Health Minister Rachel Stephen-Smith claimed the contract was justified because her government had to be prepared for the worst-case scenario.

“The best possible outcome is that we don’t need this,” she said. Alongside her stood Aspen’s executive chairman, Glenn Keys, who argued that “by the time health systems realise they need more beds, it’s too late to get them. We’re being prepared.”

But the deal stirred controversy. Work had started on the facility in early April, two weeks before the contract had been signed on April 24.

The facility is currently not operational, an ACT government spokesman has confirmed to *The Saturday Paper*. It could, however, be used for simulation work, he added. The ACT government has said the final cost of the facility “will be far less” than \$23 million, if the facility is never used for patients.

However, the territory has already given Aspen about \$10.5 million to build the temporary centre, and a further \$3.5 million to source equipment. If there were a spike in Covid-19 cases, Aspen would have three weeks to bring the “surge centre” online and staff it.

An emergency doctor, who asked for anonymity due to his knowledge of the sensitive medical situation in the territory, tells *The Saturday Paper* he and his colleagues had concerns from the start that Aspen was promising more than it could deliver, particularly when it came to staffing.

“Within the emergency fraternity, there are a limited number of quality personnel in Canberra and Australia. The vast majority of emergency doctors in Australia work in public hospitals, so in case of a surge of Covid-19 cases it’s very hard to see where that extra staff would be found,” he says.

THERE ARE MIXED REVIEWS OF THE COMPANY’S PERFORMANCE DURING THE COVID-19 CRISIS.

“They could come from part-time staff or older staff, but this runs the risk of getting people back from retirement who are at greater [risk of] harm from the disease. Two hundred healthcare professionals are very hard to find at any time, let alone now.”

Founded by former Australian Defence Force (ADF) member Keys in 2003, the Canberra-based Aspen Medical has since become a major privatised medical provider. It has worked as a defence contractor, and as an operator in Australia’s offshore immigration detention network, providing medical services at Nauru hospital.

The company has strong political ties. Michael Wooldridge, a former Howard government Health minister, spent 10 years as a director of Aspen over two periods between 2007 and 2019.

Aspen says it doesn’t make direct campaign funding donations to political parties or individuals. However, it has contributed at least \$50,000 to both the Labor and Liberal parties in the past decade.

In recent months, the company has managed to secure more than \$57 million in contracts for a range of work connected to Covid-19.

This includes the provision of 35 surge staff to contain an outbreak at the Newmarch House aged-care facility in Sydney’s west; setting up 100 pop-up respiratory clinics around the country; screening and testing crew members on the cruise ship *Ruby Princess*; and sourcing personal protective equipment (PPE) for the federal government’s national medical stockpile.

When contacted by *The Saturday Paper*, Aspen Medical did not provide a breakdown of the value of each contract.

The company has a significant footprint outside Australia, including work in disease hotspots and conflict zones. Many of these international contracts have proved lucrative. In Sierra Leone, Aspen was contracted in 2014 to treat Ebola, a deal worth more than \$18 million. It treated 216 patients of whom 91 had Ebola; 36 survived and 55 (60 per cent) perished.

A former head of the World Health Organization’s emergency medical team, Australian physician Ian Norton, who worked in west Africa during the Ebola outbreak, says he’s seen Aspen’s work firsthand and thought it high quality.

But others, such as Australian-trained doctor Amy Neilson, who works mostly for Médecins Sans Frontières (MSF) in disaster and humanitarian medicine, have a more critical perspective.

Neilson was based in Mosul after the successful battle that pushed Daesh out of the Iraqi city. For the first time, the WHO hired a private company, Aspen, to staff front-line medical facilities.

A report published by researchers from the Johns Hopkins Center for Humanitarian Health in 2018 reported concerns from other humanitarian workers over Aspen's time in Mosul, including the company's decision to initially turn away patients who didn't have traumatic injuries. Interviewees told the researchers Aspen was "adhering too strictly to the letter of its contract with WHO ... a practice that it corrected, but one that may suggest inherent challenges to contracting private providers rather than humanitarian NGOs".

The report also points to troubled aspects of the handover to local counterparts, particularly that the sustainability of these health services could be "tenuous" without funding. Neilson echoes this, saying there were "concerns at the time that organisations, including Aspen, withdrawing from Mosul would leave a vacuum of healthcare needs".

"The Aspen hospital was the only facility that handled burns, but we were seeing self-immolations and the effects of improvised explosive device detonations on civilians, and a loss of a burns facility was a problem for the city," she says. "The group replacing Aspen didn't have the same skill sets."

Writing in *The British Medical Journal*, a senior MSF employee expressed alarm that the presence of healthcare providers working alongside only one side in a contentious war could lead civilians to believe humanitarian care was a component of military strategy.

The exact value of Aspen's Mosul contract is unknown. Both the WHO and Aspen declined to disclose figures to the research team. It was estimated to have been worth about \$US11 million for five months' work.

Aspen Medical's rise has tracked with an accelerated privatisation of public services in Australia in recent decades, driven by a belief that the private sector can deliver more efficiency and value for money.

The company has been contracted by government to provide healthcare across 52 ADF bases in Australia, covering some 80,000 personnel. It has also been subcontracted to create hundreds of thousands of eHealth records on behalf of the federal government, and tasked with running primary healthcare clinics in many remote communities in the Northern Territory.

But there are mixed reviews of the company's performance during the Covid-19 crisis. Aspen was contracted to secure PPE near the beginning of this year's coronavirus pandemic because, according to a senior doctor close to the federal government's response, the national medical stockpile was facing an "exquisite shortage". Aspen delivered, he says, finding the required masks, gowns and gloves in China.

Elsewhere, though, the company's actions have drawn scrutiny. Aboard the *Ruby Princess*, it allowed its staff to prepare food in the galley, despite it being a likely epicentre of the ship's Covid-19 outbreak.

Some Aspen staff who worked on the ship were sent on to the Newmarch House aged-care facility, which later suffered its own coronavirus outbreak. Aspen Medical isn't blamed for causing the outbreak at Newmarch.

The Saturday Paper asked Aspen Medical for detail of its contracts and performance during Covid-19, including its ability to hire medical staff in the ACT and actions aboard the *Ruby Princess*, but a spokesman declined to comment. He sent instead a pro-forma statement about the company being "proud" of its global performance.

Yet sceptics abound about the trend towards a privatisation of medical provision – particularly in moments of crisis.

For his part, the Australian emergency doctor worries that "privatising the system is a good way to remove whistleblower protections in medical advocacy for patients". In many Australian states, although not all, public medical personnel are given a wide latitude to formally complain about misconduct or illegality.

"We have strong whistleblower provisions if we see bad decisions by public institutions," he says, "and there's debate if similar protections operate within a private company."

Greens senator for New South Wales Mehreen Faruqi criticises the practice of governments engaging the private sector on matters of health. "For decades, Australian governments have all too willingly let private interests creep into and profit from delivery of our essential services, from education to housing to health," she

tells *The Saturday Paper*.

“This has had terrible impacts on the quality, accessibility and public accountability of these services. The Covid-19 crisis has laid bare the failures of privatisation. A public health crisis requires a public, state-run response.”

In the ACT, there have been no new Covid-19 cases recorded in more than a week. At this stage, it looks as though the \$23 million facility will remain empty, only to be dismantled once the pandemic passes.

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