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Mr Howard's fix won't solve Medicare's drop in bulk billing

Medicare is stuck in the early 1980's and not coping with the challenges of health care needs, now or in the future.

The Government's Medicare strategy is clever in that it appears to be solving short-term problems but actually sets the scene for Government to limit its contribution to health funding for all but the very poor.

Most of us are accustomed to paying for a GP consultation but we are also aware that the Government's rebate covers a large portion of the bill. Under this package, the Medicare card would be swiped at the doctor's office and the rebate made invisible. The rebate then becomes an arrangement between the doctor and the Government, and patients, who no longer have to pay the full amount up front, will get used to paying \$10, \$20, or even \$50, unaware that the Government is also contributing.

For most Australians in good health and on good incomes, GP fees won't break the bank. But that might be very different for families on casual or low incomes facing seemingly endless childhood illnesses or worse, serious chronic illness.

The changes to bulk-billing will also have a flow-on effect. Until now pathology companies had an agreement with the Government to bulk bill many services. They have already signalled their intention to renegotiate this agreement in light of the package. This means pathology fees will increase.

Economic research shows that price increases in health lead to fewer services. People who stop going to the doctor are those with little money to spare and not necessarily those who are less ill.

The government wants to introduce a private health insurance safety net for costs over \$1000 the insurance premium for which it says will be \$1/week. Radiation oncology (cancer treatment) will also be insurable by the \$1 premium. It used to be provided free in public hospitals, but these very expensive treatments are now available as outpatient care.

The States say their responsibility ends at the public hospital door and the Commonwealth should fund out-of-hospital radiation oncology but the Federal Government doesn't want to pay for this new service.

For each technological breakthrough that creates a new and expensive service in hospital, there will be another provided in the community. Hence traditional Medicare funding distinctions between out-of hospital and in-hospital services shift costs to the Commonwealth. The Government knows that this shift together with

population ageing and technology-related health cost increases must be funded and it has chosen to pass them on to individuals and the private sector.

This is precisely what the Government's package is setting the scene for.

So what's wrong with individuals taking responsibility for their health costs through private health insurance rather than taxpayer-funded insurance?

The Democrats say it is vitally important for all taxpayers to support a system that pays for the sick and, if we all have a vested interest in Medicare because we all use it and know what it pays for, then this is more likely.

Poor mental health and disability services provide ample evidence that services for disadvantaged groups do not attract enough voter interest or pressure to keep Governments honest.

Medicare does have problems and GP morale is one. Medicare has an unhealthy emphasis on doctors to the exclusion of other health professionals. No wonder doctors feel overwhelmed – they are asked to be all things to all people, instead of being part of a support system and able to refer patients, under the same Medicare system, to specialist psychologists, podiatrists, physiotherapists and other health workers.

The part of the package that subsidises doctors to take on practice nurses is a good first step towards a better primary care model.

GPs have a valid concern, shared by judges, academics, teachers and others employed by government, that they are not well-remunerated, relative to those on sky high salaries in the private market. Some tradespeople earn as much or more than a GP.

However, as a country, we have rightly decided that fundamental services such as schooling, the justice system, health and academic investment are a public good. This means leaving these services entirely to the market and their prices subject to market power is inequitable.

We need to find better ways to remunerate our best and brightest if we want them to remain in public service but once Government withdraws too far then it is the low and middle income groups who fare worst. Legal Aid for instance is now almost a myth and most ordinary people cannot now afford legal action.

That is why the Australian Democrats have initiated a Senate Inquiry. The issues are complex and our best and brightest as well as the general public need a chance to contribute to framing alternatives that, unlike this package, can honestly confront future health challenges.