



AUSTRALIAN DEMOCRATS

A FAIRER BUDGET BALANCE FOR HEALTH

April 2004

The balance is wrong in current health policy and the Democrats call for:

- More public investment in public health – Medicare, public hospitals, one-stop-shop community health, Indigenous, dental and mental health services – and less in private health insurance
- More prevention and better choices in self management
- A forward plan for the allied health workforce as well as doctors and dentists

A fundamental responsibility for the Federal Government is making sure all Australians can get the health services they need, when they need them. Health is so important that we cannot accept federal government claims that quality services to all are too expensive or that high costs to patients are a private matter.

Health costs have been rising and Governments have been steadily shifting costs from taxpayers to patients, despite strong public support for public funding of health. Long waiting lists in public hospitals encourage people to sign up for costly private health insurance. Doctor and particularly specialist fees have climbed well above the schedule fee, meaning that Medicare rebates cover less and less.

Disagreement, buck-passing and cost-shifting between levels of government are barriers to sensible, transparent decision-making on health.

The Federal Government needs to take a firm stand, spend less time in bureaucratic arguments with the States and get on with the job – quickly. We need national action on hospital resources and quality.

Our health system should put more resources into preventing sickness where health outcomes are the poorest. Despite having demonstrably great health needs, Indigenous Australians receive less in health dollars than the average. Very good examples of culturally appropriate and successful health programs in Aboriginal communities are under-funded and reach only a handful of people.

The supply and training of health professionals need to be better planned – not only medical practitioners but pharmacists, nurses, physiotherapists, midwives and dentists.

The current focus is on expensive, high tech, high medication, acute care while prevention, early intervention and promotion of alternatives have been neglected. This is false economy that drives up overall health costs.

Many Australians choose low risk nutritional supplements and complementary health therapies for wellness and management of minor ailments but this sector receives no support from government.

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The measures in our plan would largely redirect spending to fix the balance and, longer term, deliver better, more cost-effective health.

Investment in public hospitals

\$176m over 4 years

- An independent arbiter to monitor Commonwealth and State performance on agreed hospital benchmarks and to have responsibility for pooled reserve funding for the many grey areas of Commonwealth-State responsibility. The arbiter would develop a transparent index for annual increases in funding – for hospital care and for the rebate for GP services. (\$16m).
- Increased funding to the states for specialist outpatient clinics in hospitals that are free to patients through contract packages for specialists (\$160m).

Medicare

\$366m over 4 years

- Bulk-billing incentives extended to all patients bulk billed once targets of 80% are met (\$90m);
- Supplement state government operated community health centre funding to ensure improved and nationally consistent access and GPs to practice in these centres as members of integrated health teams alongside allied health professionals, dentists and nurses (\$120m);
- After hours GP services in rural areas (\$16m),
- Nurse practitioner outreach services (\$140m)

Mental Health

\$688m over 4 years

- A diagnoses of depression and anxiety disorder by a GP to entitle patients to up to 6 sessions with a clinical psychologist as a possible alternative to medication

Indigenous health

\$1.2b over 4 years.

- An immediate boost to basic health care services in Aboriginal communities - more doctors, allied health workers, and particularly Indigenous health workers in preventive and screening measures. (\$1b)
- A focus on kidney disease and its causes - an education campaign, health prevention strategies and nutritional programs as a top priority, with programs in out-years focusing on maternal care, tobacco & alcohol and endemic health problems like scabies and otitis media. (\$200m)

Dental care

\$300m over 4 years

- Public health funding to the States and Territories conditional on continual progress to meeting the benchmarks – particularly reductions in dental waiting times for concession card holders and screening and prevention in primary schools (\$200m)
- Dental health assessments and follow-up by dental hygienists to supplement the Commonwealth's contractual arrangements with aged care providers (\$100m)

Sexual and reproductive health

Savings

- A fixed 5 year funding agreement for Family Planning and Sexual Health, so that the many excellent services, particularly to women, continue; and health experts and appropriate community representatives appointed so that alarming increases in HIV and chlamydia are arrested.

Complementary medicines and services

Savings

- GST-free status (i.e. 10% discount on purchase) for natural supplements such as glucosamine sulphate, where scientific evidence shows they are as effective as PBS pharmaceuticals (\$20m but greater PBS savings)

- Software development to advise GPs of the evidence for complementary services and products when they are prescribing medicines (\$5m but greater PBS savings).
- Funding for research and advice to Government on complementary medicine and services (\$3m reallocated priority, cost neutral)

Children

\$40m over 4 years

- More targeted meningococcal vaccinations and inclusion of pneumococcal vaccinations on the Vaccination Schedule for all infants at 2, 4 and 6 months of age, as recommended by ATAGI. (revenue neutral)
- A speculated diagnosis of Attention Deficit & Hyperactivity Disorder in children by a GP to entitle patients to a preliminary assessment by a specialised psychologist under Medicare and access to early intervention, parenting and/or psychological sessions as an alternative to medication (\$40m)

Tobacco

Savings

- Increase the current budget from \$2m to \$14m/year for anti-smoking programs
- Fund litigation to recover from tobacco companies part of the estimated \$21 billion spent on health costs of smoking related illness through the ACCC.

Health workforce

\$176m over 4 years

- Long range health workforce planning and more university places for allied health workers, nurses, pharmacists, midwives and dentists.

Revenue Measures

\$2.5b over 4 years

Private Health Insurance

Removal of Lifetime Health Cover which charges people higher fees if they join after age 30, so people will be able to drop insurance without being penalised. Of particular benefit if members become unemployed or face low income and temporarily cannot afford health insurance and anticipates that 25% will opt out (\$2.3b savings on rebate)

PBS

Put to tender the wholesale distribution of PBS items instead of paying a flat 10% fee (\$200m savings)

| Measure | 2004-05 | 2005-06 | 2006-07 | 2007-08 | Total |
|--|----------------|----------------|----------------|----------------|--------------|
| | | | | | |
| <i>Revenue measures</i> | \$m | \$m | \$m | \$m | \$m |
| Removing Lifetime Health Cover PHI rebate saving | 500 | 550 | 600 | 650 | 2300 |
| PBS wholesale distribution reform | 50 | 50 | 50 | 50 | 200 |
| TOTAL | 550 | 600 | 650 | 700 | 2500 |
| | | | | | |
| <i>Spending initiatives</i> | | | | | |
| Public hospitals | 44 | 44 | 44 | 44 | 176 |
| Medicare | 91.5 | 91.5 | 91.5 | 91.5 | 366 |
| Mental Health | 172 | 172 | 172 | 172 | 688 |
| Indigenous Health | 300 | 300 | 300 | 300 | 1200 |
| Dental | 82 | 82 | 82 | 82 | 328 |
| Children | 10 | 10 | 10 | 10 | 40 |
| Health workforce | 44 | 44 | 44 | 44 | 176 |
| TOTAL | 743.5 | 743.5 | 743.5 | 743.5 | 2974 |