

Health

AUSTRALIAN DEMOCRATS ACTION PLAN HEALTH HEALTH AND AGEING

By international standards Australia has a good health care system but it comes at a cost and is riddled with inefficiencies, duplication, cost shifting and buck passing between the Commonwealth and States and Territories. The views of the public are overlooked and billions of dollars are wasted, while out of pocket costs for patients are increasing and too many people are not getting the health care they need.

We need a health system that is equitable, efficient and accessible to all Australians and one that will improve population health outcomes, now and in the future.

“The problem with health reform is that even when major redesign is necessary, many ‘reformers’ continue to think incrementally. Some believe that major redesign is impossible, that political timidity and acquiescence have become a way of life for many health ministers. They see the individual parts of the system working reasonably well, and fail to see that the system as a whole is inefficient and unfair.”

John Menadue
Chair
Centre for Policy
Development

Our Action Plan

- **Restructure the nation's health system** by setting up a Commonwealth/State Health Commission that would:
 - Establish a **National Health Policy** informed by a national public dialogue on broad priorities
 - Determine planning for a comprehensive, integrated health system, including hospital services, home and community care, primary health care, Medicare, the Pharmaceutical Benefits Scheme, aged care, veterans care, rural, remote and Indigenous health, nursing, dental and other allied health, and preventive health services
 - **Pool Commonwealth and state government funding** currently provided for these services and distribute according to agreed short and long term broad health performance outcomes
 - **Tender these services to existing providers**, including state, non-government, local government and private operators
 - **Reform health workforce structures** to remove demarcation and restrictive workforce barriers to, for instance expand the role of nurses and allied health workers, including greater access to MBS and PBS
 - Establish a **National Health Performance Framework** to examine health status and outcomes, determinants of health and health system performance
- **Phase out the private health insurance subsidies** of around \$6 billion a year and invest them in an Australia-wide network of at least 200 new primary health care centres, 350 primary mental health centres, dental services, Indigenous health services and prevention of illness programs.
- Establish a **National Preventative Health Taskforce** to advise on health promotion and illness prevention

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- Fast track **electronic medical records** and e-health services
- Establish a taskforce on **health workforce planning** to advise on overcoming shortage and maldistribution problems.
- Establish **no-fault, electronic reporting systems** in all hospitals, a national register of sentinel events and a publicly funded insurance system for patients affected by mistakes in their treatment.
- Establish **centres of excellence** in treatment of conditions
- Increase **support for patient accommodation and travel support schemes**
- Develop health management plans for the health impacts of **climate change**

The Issues

Australia's population is ageing and chronic illnesses are rising but our health care system is not designed for the challenges of the 21st century. There is too much emphasis on hospital care and too little on prevention and primary care. There is a chronic shortage of medical staff aggravated by turf wars between professions, and an outdated MBS system that is doctor oriented and rewards more expensive diagnostic procedures and interventions over cheaper preventive activities. Incentives for private health insurance are undermining universal access and pushing up prices for everyone. Indigenous health is a disgrace, rural and remote Australians don't get their fair share of the health dollar and there is a widening health gap between the haves and the have-nots.

Australia's health care system is not really a system but a mish-mash of uncoordinated programs and policies that is increasingly complex, ineffective and wasteful. Estimates have suggested that between \$1 and \$4 billion a year could be saved if we reduced duplication, waste and inefficiency. Medicare is the fairest and most efficient way of delivering health care but is being downgraded to a safety net for the less well off and undermined by inequitable subsidies to the private health insurance sector. New technologies and increasing public expectations are placing growing demands on limited resources. There is a multitude of strategies, plans and frameworks but no national health policy that clearly outlines the values, principles and priorities that Australians want to guide their health system. A national dialogue with citizens would provide a national vision for the future of health care in Australia and guide government decision making and funding.

We spend a lot of money on health or more correctly sickness, with our funding biased towards 'treating' illness rather than preventing it or promoting wellness. Less than 2% of the health budget is spent on preventative programs. The overwhelming majority goes to hospitals and pharmaceuticals.

There are many incentives in our health funding that do not encourage the most appropriate type of care, such as the structure of MBS payments encouraging short consultations and encouraging procedures rather than prevention, limited Medicare coverage of services such as physiotherapy and psychology, and general incentives to provide high-cost and insured services rather than low-cost and uninsured services. A wealth of international evidence shows that a health system focussed on primary care achieves better health outcomes, lower rates of all causes of



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mortality (including heart disease and cancer) for a lower overall cost than a health system focussed on tertiary or hospital care

Our workforce is ageing, there are critical shortages in many professions, and it is not well distributed geographically or between the public and private sectors meaning that many Australians struggle to access the services they need. Professional demarcations and restrictive work practices stop our health workforce from being used to the best of its abilities. Reorganising the roles and responsibilities of our health professionals would make it more flexible and responsive.

Support for the private health insurance industry has been estimated to cost \$6 billion a year and rising. Private health services are an important part of our system but private health insurance sucks up money in administration, drives overall health costs up and doesn't deliver better care. Funding private sector providers directly would still provide support to the private health sector and it would save the administration costs. It would also give the Government some control over costs – something that private health insurance has not been able to do. There is a wealth of evidence that demonstrates that the larger the private health sector the higher the overall health costs to the community.

The treatment that patients get for the same condition varies widely from doctor to doctor, hospital to hospital and town to town. Patients requiring special care do not always receive it because the expertise is not available locally. There is a high level of preventable death and morbidity, particularly in hospitals, resulting, in part, from a failure of integration between providers and the use of antiquated data management and information technology.

Australia has too many health inequalities. Poorer Australians have worse health outcomes than wealthier Australians, and people living in rural, regional and remote areas have poorer health than their urban counterparts.

Climate change has the potential to impact on human health in a number of ways, such as changing the distribution of infectious diseases and increased mortality during heatwaves.