

Medicare

AUSTRALIAN DEMOCRATS ACTION PLAN MEDICARE HEALTH AND AGEING

The Democrats are committed to improving Medicare and protecting its fundamental principles – access and affordability for all. Medicare is a shared, publicly funded health care insurance system based on the idea that services should be available to everyone, regardless of ability to pay. These principles have been gradually but surely eroded through the ongoing encouragement by government of the use of private health services.

The Federal Government's announcement of Medicare-based support for the clinical work of psychologists and other mental health workers is a long overdue start to reforming Medicare to better meet the health needs of the 21st century. Much more needs to be done though if we are to address the growing burden of mental health problems and chronic physical conditions such as obesity, diabetes and heart disease.

Our Action Plan

- A return to a pact between government and doctors wherein doctors agree to charge fees that are close to the schedule fee and governments agree to an indexation system for the schedule fee (and therefore the rebate) that is transparent and fair.
- Long term health workforce planning that is properly funded, including HECS relief, recruitment and training of doctors in rural areas and Indigenous health workers, and a move to the allocation of Medicare provider numbers on a per capita geographic basis.
- New and flexible ways of achieving a more equitable distribution of Medicare resources, tailored to address poor health status and meet particular local needs, eg supplementing state government-operated community health centres, funding GPs to practise in these centres; cooperative arrangements for after hours services and special needs groups; and funding for the states to provide free or low cost specialist outpatient clinics in hospitals through contract packages.
- Medicare item numbers for community-based nurse practitioner and midwifery services and allied health clinicians for an agreed range of conditions.
- Incentives for the integration of GP and other primary health care that is focused on prevention.
- A significant increase in funding for programs that promote healthy lifestyle and diet, smoking cessation and moderation in alcohol consumption.
- Extending the government's medical indemnity insurance cover to include private midwife practitioners.

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- Reform of the Divisions of General Practice including: a stronger, more consistent role in the delivery of primary health care; improved performance monitoring; a greater role in providing better services to Indigenous Australians; and, broad-based board representation.
- Index the Medicare levy.

The Issues

The MBS system is outdated, doctor-oriented and rewards more expensive diagnostic procedures and interventions over cheaper preventive activities. Medicare remains a largely fee-for-service system with few incentives to improve quality of services and little flexibility for cooperative arrangements between GPs, hospitals and community health services, encouragement of salaried positions or solutions to local needs.

The \$5 increase to the Medicare rebate introduced in 2004 didn't make visiting the doctor more affordable for long – doctors fees have increased by \$6 since then and patients who aren't bulk-billed are paying \$26 out of their own pockets to see a doctor. Increases in doctors' fees have averaged about 10% a year over the past 3 years. There are still no constraints on GP and specialist fees, and out of pocket costs around \$17 billion. 20% of that is for dental services.

People in rural and low-socio-economic areas miss out both on access to doctors and their fair share of Medicare dollars. More and more rural towns are without a local doctor at all and the Rural Doctors Association has estimated that at least 900 more doctors are needed to ensure even basic medical coverage in rural and remote areas.

The severe shortage of doctors and specialists in many areas is an indictment of the preparedness of governments to recruit and train adequate medical staff and means an increasing reliance on overseas trained doctors, many of whom are from countries that can least afford to lose them. There are 3500-4000 overseas trained doctors working in Australia. Eligibility for incentives provided to doctors to encourage them to work in areas where there is limited access to doctors is currently based on a measure of distance from population centres but often discriminates against people in outer areas of cities where doctors are in as short or shorter supply.

The government is ignoring calls to substantially reorganise the roles and responsibilities of our health professions. The inclusion of allied health services under Medicare such as dentistry, physiotherapy, and podiatry is very restricted and benefits only the chronically ill and those whose doctor chooses to participate in the program.

The Government will not index the threshold above which the 1% Medicare levy is payable by those without private health insurance with the consequence that more low to average wage earners are required to pay. When the Medicare levy was introduced the average wage was \$37 000 and 167 331 taxpayers were liable, in 2006 the average wage was \$56 680 and about 500 000 people are now paying the levy. Benefits from the Medicare safety net are concentrated in higher socio-economic areas, contrary to the stated objective of this measure.



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