

Medicare thaws, now time to take health reforms off ice

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The staged removal of the Medicare freeze should reduce pressure on Australia's high out of pocket health costs but Australia still needs longer term reform to future proof our health system, the Consumers Health Forum says.

"Just as the freeze locked doctors' payment levels in the past, Australia's health system is also captive to a 1984 Medicare design that is of declining relevance in the 21st Century," the CEO of the Consumers Health Forum, Leanne Wells, said.

"The staged lifting of the freeze in the Budget does mean that many families on average incomes still face the risk of co-payment increases they can ill afford for at least another year.

The retention of bulk billing incentives for diagnostic imaging and pathology is welcomed.

"A strong and equitable health system that delivers for all Australians is THE top priority for voters. As the Essential poll showed last week, nearly two thirds of Australians think funding should be increased in health care.

Government also needs to exploit the longer term benefits available to Australians by strengthening and modernising Medicare so it can respond to the rise we have seen in complex chronic disease.

"We welcome the Government's modest investment for further development of a future patient-focused system through its Health Care Homes initiatives, including a role for community pharmacy. These are developments which could be impeded if GPs faced continued freeze on all of their Medicare payments.

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“We must get the right approach to this fundamental development but much more is needed in terms of Government resourcing, local leadership and consumer involvement. A staged implementation of Health Care Homes is prudent.

“While we will always need high quality hospitals, we would like to see future hospital funding arrangements to include deals with the States that shift the focus to integrated care outside hospitals, particularly for those who are at risk of repeated costly visits to hospital.

“The Government in this Budget will generate significant savings by reducing further the price of medicines once they come off patent. A separate measure to make generic medicines the automatic choice for prescriptions will also contribute to much-needed savings.

“That is very welcome because the savings will enable PBS to subsidise new drugs. Also welcome is the removal from the budget figuring of the “zombie” \$5 increase to prescription co-payments that was first proposed in the 2014 Budget but has been blocked in the Senate.

“Private health insurance will continue to be a source of widespread consumer dissatisfaction prompting possible declines in membership without the consumer-friendly reforms advocated by CHF and others which would oblige health funds to implement or lose eligibility for the health insurance rebate.

“We need a 21st century response to the health hazards of today: obesity, poor diet and sedentary lifestyle.

“The Budget includes a modest down payment in preventive health but we still lack a comprehensive obesity prevention plan. The hiatus in preventive health commitments has failed to recognise the huge dividends available in the future improved health outcomes. And the cost is small relative to the \$75 billion the Commonwealth pays out in health costs each year.

“We are disappointed the Government is putting the interests of business before the health of the nation in not pursuing a tax on sugar-sweetened

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drinks which other countries like the United Kingdom have seen fit to introduce.

“We welcome the national rollout of the opt-out model for MyHealthRecord. This will reinvigorate our health care system which is currently stuck in a pre-internet world.

We welcome the mental health measures including tele mental health and suicide hotspots, and the \$350 million to target suicide prevention and mental health of war veterans.

CHF supports the minister’s announcement that he is developing a National Health Plan.

“Overall this health budget is a commendable attempt to rebalance priorities while seeking to establish a platform that provides hope for a future more effective health system that is both responsive to consumer needs but also delivers best bang for the buck,” Ms Wells said.

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