



Consumers Health  
Forum OF Australia

SUBMISSION TO SENATE ECONOMICS LEGISLATION COMMITTEE

INQUIRY INTO BUDGET  
SAVINGS (OMNIBUS) BILL 2016

September 2016

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# Introduction

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The Consumers Health Forum of Australia (CHF) is the national peak body representing the interests of Australian healthcare consumers and those with an interest in health consumer affairs. CHF works to achieve safe, quality, timely healthcare for all Australians, supported by accessible health information and systems.

CHF welcomes the opportunity to put in a submission on these proposed savings measures. We have not had time to consult our members explicitly on this Bill but we did consult them when the measures were announced as part of the Budget and as the measures have not changed the position remain the same.

## Issues

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CHF will comment on three of the measures in the Bill; changes to dental services, indexation of private health insurance thresholds and the abolition of the National Health Performance Authority

### *Dental Services*

This measure seeks to close the Child Dental Benefit Schedule (CDBS) from 31 December 2016 and establish a new Child and Adult Public Dental Scheme (CAPDS) through agreements with the States and Territories.

Good oral health contributes positively to physical, mental and social wellbeing and enables people to speak eat and socialise unhindered by active disease, pain, discomfort or embarrassment. By contrast, poor oral health worsens overall health, wellbeing and quality of life. It can have negative impacts on speech, sleep, productivity, self-esteem, psychological and social wellbeing, relationships and general quality of life as well as having significant flow-on effects to overall national productivity, with affected individuals and families missing time off work and school.

Access to oral health care in Australia is not given the priority it deserves by Australians and is often both highly inequitable and unaffordable. Out-of-pocket costs are four times higher for dental care than the overall average for all other health care.

CHF is a member of the National Oral Health Alliance and joins with the other nine Alliance members to oppose to the closing of the CDBS and replacing it with the new scheme to be delivered through the State/Territory public dental services. This opposition is based on the following:

- The total amount of funding for the new CAPDS is not enough to guarantee better access and greater affordability for everyone who is eligible. The funding is decreased and the eligible population is increased which means the per capita funding must

decrease. This is not acceptable when we know that good oral health is so closely linked to other health outcomes.

- Adults and children have very different dental and oral health needs and bundling them all together means those differential needs will not be adequately addressed. We are concerned that children's needs will be seen as less acute than adults and so they will miss out as the over stretched public dental services triage adults with acute needs ahead of them.
- There needs to be adequate funding for ensuring there is good preventive oral health for children as this sets them up for the rest of their lives and should be seen as an investment in their future health and well being
- Public dental services are not equitably distributed and people in rural and remote areas will have poorer access and have to travel to the nearest public service.
- There are already long waiting lists for public dental services and it will take time for the public system to gear up for the increased level of demand on its services. This will push out waiting times even further.

### *Recommendation*

We recommend that the Committee does not agree to this measure.

### *Indexation of Private Health Insurance Thresholds*

This measure continues the freeze on the income thresholds for the Medicare Levy Surcharge and the Private Health Insurance (PHI) Rebate for a further three years.

The income thresholds for the Medicare Levy Surcharge and PHI rebates, as with other Government benefits are an intrinsic component of our targeted welfare system. Whilst there can be much debate about whether we should have such thresholds and at what levels these thresholds should be set once a level is agreed, based upon some notional idea of that constituting an income below which people need some additional assistance then it needs to maintain its real and relative value.

Freezing the threshold has the following impact:

- It is a regressive measure in that it has greater impact on people on lower incomes but none on people who are already above the thresholds
- It moves people up into the Medicare Surcharge brackets simply because wages have increased without their standard of living or capacity to pay increasing. It is similar in effect to bracket creep in the rest of the tax system
- It decreases the number of people accessing the PHI rebate and so makes PHI more expensive for people on lower incomes

### *Recommendation*

We recommend that the Committee does not agree to this measure.

### *Abolition of the National Health Performance Authority*

This measure abolishes the National Health Performance Authority (NHPA) and moves most of its functions into the Australian Institute of Health and Welfare

CHF supports smaller, more efficient government and can see some advantaged to reducing the number of separate agencies and sees some efficiency can be achieved through this measure. We note that the NHPA established a high benchmark for both frequency and standard of health system performance reporting, particularly with the work it did at the regional level, including for Primary Health Networks and Local Hospital Networks. This regional data has proven invaluable in helping to map regional variation and plan services to meet identified community needs.

The NHPA has an annual work program and was consultative in its approach to what it should be reporting on and how and CHF believes that the AIHW could benefit from taking on board more of this approach.

*Recommendation*

We recommend that the Committee seek assurances that the groundwork done by NHPA not be lost completely and that as a minimum the AIHW should publish its forward work program.