



Australian Health Care Reform Alliance

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Budget shows health policy is drifting towards dangerous waters

This week's Health Budget reflected the lack of a transparent and equitable Federal health policy framework. It offered a mishmash of mostly small initiatives whose value was undercut by a raft of cuts to existing services.

"Without any clear documented direction, Federal health policy is drifting towards the unfair waters of a two-tier health system," said Tony McBride, Chair of Australian Health Care Reform Alliance (AHCRA). "Despite some worthwhile initiatives, it is hard to see the rationale behind the overall package other than cutting money. It is ideology (not clear health outcomes for Australians) that appears to be driving the package.

The impact of many of the new Budget measures will be to increase costs for consumers and to reduce their access to preventive, primary health care and hospital level health care. This will hit the most vulnerable and sickest hardest. "The Government appears happy to ignore the implications of its cost-cutting decisions which are pushing the system slowly towards a two-tier and therefore basically inequitable system" Mr McBride added.

When combined with last year's last year's measures (still built into this Budget) the overall Budget package will make care more expensive for consumers through the planned co-payments for medicines on the PBS and the squeeze on GP rebate). It will also make care more difficult to access. Last year's massive cuts to the States hospital system of \$57 billion remain with inevitable impacts on waiting times and access to care.

Further the cuts to community-based health services have been deepened to nearly \$1 billion of cuts to Aboriginal health, communicable disease and sexual health services among others, serving mostly disadvantaged or vulnerable populations. Paradoxically, the government proposes to cut funding to drug and alcohol services at the same time as the National Ice Action Strategy is being heralded.

Decisions on dental services are particularly cruel and disappointing. \$1.3 billion over four years for adult dental services previously committed by the Gillard government through a National Partnership Agreement with the states and territories and deferred in last year's budget has been cut to \$155m for just one year only. Two valuable New Dental Graduate programs that provided around a hundred mentored positions annually in rural and regional public dental services have been cut. The Child Dental Benefits Schedule for eligible children is to continue but freezing the rebates to dentists for the care they provide will contribute to raising out-of-pocket costs to parents. While Minister Ley's commitment to look at dental policy reform is welcomed by AHCRA, these Budget decisions will make access to care increasingly difficult in areas of great need right across Australia where financial and other barriers to dental care are already quite unacceptable.

AHCRA welcomes the Health Minister's support and Budget funding for continuation of e-health initiatives and a revamped governing body. Although the roll-out has been slower and more difficult than anticipated, AHCRA strongly supports the need for an electronic health record, given the potential benefits to consumers and providers and its long term economic advantages.

The Minister's stronger focus on stakeholder consultation is also evident, for example in the reviews of the Medicare schedule and primary health care announced recently. In these and other policy areas the outcomes will be better provided there is significant consumer input that looks at the big picture of funding and potential innovations, not just focus on the minutiae.

The new national committees to advise on mental health (following the report of the National Mental Health Review) are also important but the Budget makes no allowance for spending to implement any of their possible recommendations. There is a crying need for some strong leadership in this area to move towards an effective and coherent mental health system across Australia.

Sadly many opportunities for positive change seem to have been wasted in this Budget. While on the surface, changes to the Pharmaceutical Benefits Scheme have been announced as the outcome of ongoing medication decisions, other cuts carry some significant risks for consumers. Among the big policy decisions has been the lack of any action to tackle the high pricing of generic drugs (New Zealand pays a lot less than we do) which has the potential to generate significant savings for better use elsewhere within the health system.

AHCRA urges the Minister to develop a clear overall health policy. "It is hard to know where this Government is going in health –there is no clear policy but the underlying trend seems to be to create a two-tier system. We all know from international data how unsatisfactory such a system can be, and we can see the results first hand in our two-tier dental system with vast inequalities in care depending on income," said Mr McBride.

** AHCRA is a coalition of over 35 national and state organisations, including those representing the medical profession, nursing, allied health, rural and remote health, health services and consumer groups.*

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