



Australian Health Care Reform Alliance

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'FAIR GO' HEALTH FUNDING MODEL NEEDED

Australia needs a new and fairer health funding system if we are to meet our growing need for health care and ensure equitable access for all, according to the Australian Health Care Reform Alliance.

What is the problem?

“Our fee-for-service system of health funding has been the norm for many years but is not meeting the needs of our community. In fact, Australia’s reliance on fee-for-service health care helps to maintain the inverse care law that ‘those who need the most care get the least, and those who need the least care get the most’,” said Mr Tony McBride, Chair of the Australian Health Care Reform Alliance

“Fee-for-service treats each element of care as an isolated event and does not support doctors and other health professionals working together to provide the best quality care. A fee-for-service system limits the delivery of coordinated care across different sectors of the health system and over a period of time. But this is exactly the care that consumers want and need to achieve better health outcomes.”

“Fee for service also means that time spent by doctors in organising or discussing care or undertaking self-education or professional development is seen by many providers as unpaid work. This limits teamwork essential for treating the rising tide of chronic illness.”

“Innovation is stifled and the application of proven team-based approaches fails to be introduced because they can’t easily be broken down into discrete itemised units for which rebates can be paid. As well as leading to lower quality care, this results in a less efficient system overall.”

“Many doctors, and particularly the Australian Medical Association, are locked into a belief that fee-for-service is sacrosanct. However, many excellent health services, such as public hospitals, Aboriginal Health Services, and community health centres, do not operate on a fee-for-service basis,” said Dr Tim Woodruff of the Doctors Reform Society and AHCRA Executive member.

What needs to be done?

“AHCRA calls on both major parties to consider alternative health funding models based on individual and community care needs, similar to that suggested for education in the Gonski report. This includes moving away from a fee-for-service model towards needs-based funding which provides higher subsidies to those with the greatest need.”

“Alternative funding models that should be considered include block funding (already granted in limited form in rural areas); packaged funding (as recommended for diabetes care by the Federal Government until it developed cold feet); increased salaried funding particularly for specialists in public hospitals; capitation; increased funding for Medicare Locals to assess population health needs for their areas and to co-ordinate care.”

“If we want a health system that can meet our current and future needs for health care, we need to move away from the fee-for-service model,” Dr Woodruff said.

This is one of a series of media releases on the key health issues AHCRA believes urgently need fixing in the current health system. AHCRA is seeking commitment to the necessary action from the major parties in the coming election.

The following members of the ACHRA Executive are available for interview:

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