



Australian Health Care Reform Alliance

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MEDIA RELEASE

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7 BETTER WAYS TO SPEND \$7 BILLION – MENTAL HEALTH

The Australian Healthcare Reform Alliance (AHCRA) today called on the Government to re-direct funding in the upcoming Budget from the \$7 billion private health insurance (PHI) rebate to increase services for people with mental illnesses.

AHCRA is a coalition of peak health organisations working together to create a better and fairer health system for Australia's future.

“In an environment of increasing demand and limited resources, AHCRA acknowledges the need to make tough choices. This means recognises the futility of continuing to subsidise wasteful and poorly targeted private health insurance rebates and directing the saved funding into an area of greater need, such as mental health services,” Dr Sebastian Rosenberg, AHCRA Spokesperson on Mental Health and Senior Lecturer in Mental Health Policy at the Brain and Mind Centre at the University of Sydney, said today.

“Abolishing the PHI rebate would free up around \$7 billion in health funding, effectively permitting close to doubling the amount available in Australia to deliver mental health care. While representing 13% of the total burden of disease, mental health currently receives only around 5% of the health budget.

“We have better evidence than ever before about what works in mental health care but without adequate resources we have been fighting with one arm tied behind our backs. Choosing to end subsidies to the private health insurance industry frees Australia to finally develop a contemporary and community-based mental health system on which the community can rely.

“This new funding should not be used to replicate our existing bed-based system of mental health care. Instead, the new funding should be purposively directed towards early intervention and hospital avoidance. This would develop a new range of community-based services designed to fill the service void existing between the GP and the public hospital emergency department.

“A new system such as this would have massive positive impacts not only on individuals and their families but on the overall productivity of the Australian economy” Dr Rosenberg said.

For further information or comment:

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This proposal forms part of AHCRA's '7 better ways to spend \$7 billion' campaign. The aim of this campaign is to highlight the benefits of redirecting funding from the private health insurance rebate to areas of greater need in the health system.