



Australian Health Care Reform Alliance

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Out of pocket costs

Out-of-pocket health costs (OOPs) are a major challenge facing the Australian health system. Australians pay for a higher proportion of total health care in OOPs than do citizens of almost all OECD countries (see infographic below). In fact, OOPs are the third largest funder of health care in Australia, after Commonwealth and State/Territory Governments.

Yet despite the importance of OOPs in influencing access to health care, this area is a policy vacuum. We have no policy framework for addressing OOPs across the spectrum of the health system and no government department or body that takes responsibility for overseeing how these costs impact on consumers. In fact, we lack even the basic data on what consumers pay for a range of different forms of health care and how these impact upon different groups in the community.

A recent survey undertaken by the [Consumers Health Forum](#) demonstrates that consumers' experience of OOPs is frequently unpredictable, inconsistent and inequitable. It showed that for many consumers OOPs create financial hardship and stress at an already difficult time of life. For some they mean a choice between vital health care and other necessities.

The establishment of the [Ministerial Advisory Committee on Out-of-Pocket Costs](#), by the Federal Health Minister Greg Hunt in January 2018 was a positive indication that the Government was seriously looking at this issue. However, this group is dominated by representatives of the medical profession with only minimal consumer representation. It had not been able to make any noticeable progress towards addressing the problems facing consumers with high and unexpected health care bills.

AHCRA believes that the problems associated with OOPs can only be addressed through a consumer-focused approach. This needs to include detailed research on the OOPs consumers experience across different areas of the health system. It also needs to involve much stronger consumer representation in any working groups or committees advising the Government on this issue.

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