

From:
To: [Community Affairs Committee \(SEN\)](#)
Subject: Health Insurance Amendment (Safety Net) Bill 2015
Date: Monday, 16 November 2015 5:00:10 PM

To The Senate Community Affairs Legislation Committee,

The Medicare Safety Net assists families and singles by contributing towards out-of-pocket costs for Medicare eligible out-of-hospital services. From 1 January 2016 (subject to the passage of legislation), the existing Extended Medicare Safety Net will be replaced by a new Medicare Safety Net.

Once the annual thresholds have been reached in a calendar year, Medicare will pay 80% of any subsequent out-of-pocket costs, capped at 150% of the MBS fee. The out-of-pocket costs that accumulate in reaching the safety net thresholds will also be capped at 150% of the MBS fee.

This is significantly less generous than current arrangements, where the cap is set at 300% of the MBS fee, and would leave patients incurring significant out-of-pocket costs, worse off.

The proposed changes to the EMSN will limit the capacity of patients to access affordable healthcare, to manage their illness and prevent the development of further complications. For example, private patients undergoing a typical six to seven week course of radiation treatment currently have \$12,000 in out of pocket expenses but \$10,000 of this is covered by the EMSN. When the 150% MBS fee cap is introduced in January 2016 the Medicare Safety Net will cover only \$8,000 of these bills leaving the patient \$4,000 out of pocket.

Significantly, if providers charge more than 80 per cent of the MBS fee, the additional amount will not be covered under the safety net, and it will not count towards meeting the threshold. Although safety net eligibility thresholds are lower under the new arrangements, people will have to pay more of the high out-of-pocket costs than they do now.

Out-of-pocket healthcare costs particularly affect the most vulnerable Australians who have chronic health conditions and high-level healthcare needs. The current EMSN is a key support mechanism for these patients. The increased out-of-pocket costs will force patients to make difficult decisions, including, whether or not to seek medical attention, fill prescriptions and prioritise their own healthcare needs.

Australians who suffer with diabetes, cancer, PTSD, lupus, crohns, and mental illness have potentially lifelong conditions which have complex care needs, requiring constant management, but increasing the out of pocket will jeopardise this standard of care.

Please consider our most vulnerable Australians, and do not support the proposed changes to the Medicare Safety Net.

Many thanks,

Lita Stevens