

THE HEALTH INSURANCE AMENDMENT (MEDICARE FUNDING FOR CERTAIN TYPES OF ABORTION) BILL 2013 – SUPPLEMENTARY SUBMISSION

BACKGROUND

This is supplementary submission that complements a response to the key terms of reference.

The purpose of this submission is to demonstrate that it is risky, counter-productive and uneconomical to fund a termination for the purpose of gender selection. This submission spans a number of issues but in part addresses the first and third terms of reference.

ECONOMIC LOSS

As a society we spend vast resources on protecting life and health. The current legislation contradicts such values in favour of personal gain through abortion for the purpose of gender selection.

While pro-choice and pro-life protagonists will make claims concerning the quality of life for the mother and the foetus respectively, there is also considerable economic literature on the quantitative value of a person's life.

It is difficult to resolve the ethical and moral merits of pro-choice and pro-life protagonists but it is much easier to attach an economic value to prolonging life vis a vis termination.

Abelson¹ summarised the financial value of a statistical life from various studies and these are listed in the Appendix. The values vary considerably based on the presuppositions and assumptions that are made but by any standard the economic value is substantial.

Australian estimates are around A\$3 million for a healthy prime age individual. This is a considerable amount that needs to be taken into account in promoting or supporting terminations.

The annual value (Value of a life year) independent of age is around \$150,000 and dwarfs the Medicare rebate.

Accordingly, there is a substantial economic loss for the Commonwealth Government in advocating the termination of a pregnancy, especially for subjective and qualitative reasons related to selection of the gender of the foetus.

¹ Abelson, P. (2008). Establishing a Monetary Value for Lives Saved: Issues and Controversies. Paper prepared for the conference 'Delivering better quality regulatory proposals through better cost-benefit analysis' hosted by the Office of Best Practice Regulation on 21 November 2007.

QUANTIFYING THE POTENTIAL FOR CONTINUED ERROR

In many instances a termination because of the gender of the foetus implies that there is a desire for further pregnancy.

Yet it is obvious that the potential for the next pregnancy resulting in the desired gender is only 0.5 probability and it is a moot point whether the community should be funding this level of risk merely for personal, social or cultural contentment.

CONCLUDING COMMENTS

There is no economic value in terminating a life for the cost of the Medicare rebate. The estimated value that is lost to the nation for one life is in the order of several million dollars or around \$150,000 per year.

Even if a second pregnancy ensued after the original termination solely because of the gender of the foetus the margin of risk is still in the order of 50%. I would not imagine that such costs are acceptable to the majority of Australians.

Thank you for the opportunity to make this additional submission.

James A Athanasou

Table 1 Surveys of selected VSL results

<i>Authors</i>	<i>Year</i>	<i>Original studies</i>	<i>Estimated VSL (US \$) ^a</i>
Kneisner and Leith	1991	Wage risk study, Australia	About \$2.2m
Viscusi	1993	24 wage-risk studies, 4 CV studies ^b	Most estimates in \$3m- \$7m range. Range 1.2m- \$9.7m
Jones-Lee	1994	13 wage-risk studies, 7 other revealed preference studies, 8 CV studies	\$1.9m-2.2m are median and mean for most reliable results
Jones-Lee et al	1995	CV study, UK	\$2.7m
Schwab-Christe	1995	CV study, Switzerland	\$7.5m
Desaigues and Rabl	1995	CV study, France	\$3.4m
Van den Burgh et al.	1997	10 US and 1 UK wage-risk studies	\$3.9m 'most reliable estimate'
Johannesson et al.	1997	CV study, Sweden	\$3.8m in 1995 prices
Miller et al.	1997	Wage-risk study, Australia	\$11.3m - \$19.1m
Desvouges et al.	1998	28 wage-risk studies and 1 CV study, US	VSL of \$3.6m, with confidence interval of \$0.4m-\$6.8m
Day	1999	16 wage-risk studies, 10 US, 2 Canada, 4 UK	\$5.6m is best estimate
Guria et al.	1999	CV study, New Zealand	\$2.1m
Meng and Smith	1999	Wage risk study, Canada	\$5.2m
Krupnick et al	2000	CV study, Canada	\$0.5m - \$2.0m
Gayer et al.	2000	Property values and waste site cancer risks, US	\$4.3m - \$5.0m
Baranzini and Luzzi	2001	Wage risk study, Switzerland	\$6.3m to \$8.6 m
Jenkins et al.	2001	Purchase price of bicycle helmets	\$2.1m - \$4.3m (for adults)
Mrozek and Taylor	2001	40 wage-risk studies	Approximately \$2.0m
Tsuge et al.	2005	Choice modelling, Japan	\$2.9m
Andersson	2005	Motor vehicle purchases, Sweden	\$1.0m to \$1.5m

^a Values at time that study was made (usually before publication of results). ^b Excludes two early study outliers with very small samples and extreme results.