

Senate Select Committee on Health

Dear Committee,

I have some real concerns about the future of the Health System in Australia, in particular Medicare and all of the Private Health Insurance providers. There must be fair and reasonable fee structures between what the doctors charge, what the AMA sets as its schedule fees and what Medicare is prepared to reimburse on its schedule of fees.

We pay a lot of money into premiums for Health Insurance to the private funds, and also have to contribute a levy for Medicare. I have had private health insurance all of my working life, and not making many claims in my younger years. I am now 60. In 2001, I was diagnosed with Type 2 Diabetes. Every year since then, my family's out-of-pocket expenses have been between \$3,500 and \$7,500. These are fees that the health cover does not cover. Despite repeated concerns raised to many Federal Health Ministers over many years, my plight to have this disgrace fixed has fallen on deaf ears.

Unfortunately, I live in the ACT, where the average income is above the national average, where there is also a small number of GPs and specialists, resulting in rather large fees being charged by doctors. This is a real concern, as many people who live in Canberra are not on the larger incomes. As a result, not many doctors bulk-bill. 25% of the people who work in the ACT work part-time. Therefore, their incomes are rather low.

As a diabetic, I rely on constant visits to my GP and specialist, as well as the continued supply of quite a number of pharmaceuticals. This all comes at a premium cost that should be covered by medical insurance to a much larger extent - especially where people have a chronic illness. For those of us who suffer from a chronic illness, we really need access to some form of health care card. Also, I am coming up to retirement, and I will have a good superannuation pension behind me, but, alas this will not entitle me to lower health costs - which is totally ridiculous. I am not saying that we should not pay our way, but what is the use of medical insurance when it does not cover expenses.

As I said above, I have had private health insurance all of my working life. To this extent, now that I am in my final years of work and approaching retirement, I need the health insurance to kick in and help out with my ongoing medical expenses. Over the past 13 years or so, the refunds from Medicare and the private health funds have not covered what I have paid into the premiums. I ask you and others, what is the use of medical insurance? Who is receiving adequate refunds? Those who are young or healthy supposedly support those who are old and ill. Then, when they become old and ill, the then young support them.

How can we afford to keep on going to the doctor when we don't even receive 50% of the fee back when attending our GP - the supposed backbone of the system. Give the refunds here where they are needed, and it will stop many people heading for the emergency departments in the hospitals. Some people just can't afford to go to the doctor when the fees are so high.

If I go to my GP for a continued referral to a specialist or repeats on my prescriptions, I can receive this as a bulk-bill. A few years ago, I used to get bulk-billed if I went back to see the GP for a second appointment for the same problem. That is no longer the case.

I pay my medical premiums supposedly so that when and if I require medical expertise, I can receive it at a low out-of-pocket expense to myself. This is not happening.

As a diabetic, I see a specialist about 3 - 4 times per year. If I see him at his practice, I am out-of-pocket about \$70 each time. I can see this same doctor in the Outpatients of the Canberra Hospital and be bulk-billed. This latter is my preference, as it saves me money, and in most cases, I have not had to wait too long.

In my experiences in Canberra over the past 20 plus years, the GPs who bulk bill cannot be trusted to diagnose the problem and come up with a satisfactory way ahead. When we have gone to them, we have ended up back at our own GP a few days later, thus creating a double

cost to the community, and loss of time and money to ourselves. Then there are the large clinics who bulk bill, but you are forced to wait sometimes up to four hours. This is ridiculous.

No matter how good a doctor may feel he is, he should not be charging exorbitant fees that takes money from the people they are treating, so they can live the high life while their patients have to scrimp and save.

We all need to live and be charged accordingly for all manner of services. In the case of doctors and the health system, there is a measure in place called health cover that should be there to reimburse us in case we require this expertise. We should not be disadvantaged by our location and charged extra. People who live in the major capital cities have access to many doctors who bulk bill. People who come to Canberra are amazed how expensive it is here to receive medical expertise. Even many country areas have cheaper costs for healthcare than Canberra has.

A recent report in some newspapers reported that the cost of office space in Canberra was much lower than both Sydney and Melbourne - so why are the doctors here so expensive? My doctor's office manager said to me a few years ago that if the doctors in the practice bulk-billed, they could not afford to stay in business longer than one month. Then how come doctors elsewhere in the country can afford to bulk-bill their patients?

Medicare releases a set of Schedule Fees that it believes is fair and reasonable for the services provided. The AMA also releases its set of schedule fees for the same services. These fees are much higher. And then the doctors are free to set their own fees. As time has gone by, the difference between the Medicare Fees and the AMA Fees has grown further apart. There is a graph on the AMA website that shows this.

I am about to go in for a hernia operation. The surgeon is charging around \$1,050 for the procedure. I will receive \$464 back from the insurance. This isn't even half. This fee is ridiculous for a small procedure that should take less than one hour. Even so, over \$1,000 for an hours work is still a little on the generous side in my view, even if he does have a receptionist, office space to rent, medical insurance and other incidentals. I require a second hernia to be fixed as well, and he is generously providing this at half fee - around \$464, of which I will receive about \$407 refund. Then there is a second surgeon, the anaesthetist and the hospital fees, as well as a pre-op from the surgeon, and a post-op fee about 8 or 9 days later. I have already had two visits to him, plus requiring two separate ultrasounds. All of this will only attract less than 50% refund to me, all from various places of medical expertise. And they call this a good system. If this is good - I would hate to see bad.

I can provide countless examples here in Canberra over many years where doctors have charged such excessive fees. In most cases, I have received well under half the fee charged as a total refund.

We are told we must pay the Medicare levy. If we earn too much and don't undertake private health insurance, the Medicare levy is increased. If we don't take out private health insurance when we are young, then we are penalised as we get older with higher premiums.

If we go into hospital for elective surgery under Medicare, it is all covered, but we might have to wait a while, but if we go in under private, we get charged all manner of extra fees. This is all wrong. I have paid my fair share of medical insurance over my life, and now that I am older, I need it to kick in and provide me reasonable refunds when and if I require this medical expertise.

This is what really needs to happen with all doctor visits - especially for new patients. At the receptionist's desk, there needs to be a sign or booklet available which details all fees applicable to be charged at that practice. Against each fee is to be the Medicare Item Number, plus the Medicare and/or private health fund (if applicable) fee, and the difference the patient is required to pay.

On my recent visit to the surgeon who is going to perform my hernia operations, I only found out about the fee structure when I decided to go ahead with the procedure, but I was not given any information about the out-of-pocket expenses I would incur. I see this as a very disappointing move. I am going to go into hospital and have an operation. I am sorry, but I want to know what I may be up for. This is important for me.

The GP should be informed of all the fees that apply when a patient is intending to go into hospital for a procedure for their patients. They should know what the fees are for all the local doctors, and the patient supplied with a list of all the doctors in the local area who can perform the appropriate procedures. The patient should be given a list of all the appropriate doctors and their backgrounds and fee structures. The patient goes away and makes an informed decision before the GP provides a referral to the chosen doctor. It should not be up to the GP to choose the specialist, as in many cases, he may choose the most expensive, or best, which may not be in the best interests of the patient.

regards
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