



Private Mental Health
Consumer Carer Network (Australia)

engage, empower, enable choice in private mental health

National Secretariat,

PO Box 542, Marden S.A. 5070
Phone: 1300 620 042
Email: admin@pmhccn.com.au
www.pmhccn.com.au

Patrons:

Professor Alan Fels AO
Ms Barbara Hocking OAM
Mr John McGrath AM

SUBMISSION

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Sent via Email: community.affairs.sen@aph.gov.au

Health Insurance Amendment (Safety Net) Bill 2015

The *Private Mental Health Consumer Carer Network (Australia)* (hereafter Network) represents Australians who have private health insurance and/or who receive their treatment and care, and those that care for them, from private sector settings for their *mental illnesses or disorders*. As our title implies, the Network is the authoritative voice for consumers and carers of private mental health settings including those services provided by psychiatrists and other professionals in private practice.

The Network is committed to working with the Australian Government in addressing the needs of people with a mental illness and we bring a mental health consumer and carer perspective. Mental health brings with it many challenges. As a consumer and carer organisation we are in a position to provide direct 'lived' experiences and would welcome the opportunity to engage in further discussions.

Our Network is supportive of the additional support for out-of-hospital Medicare services to mental health consumers under the proposed safety net changes. We also understand the need for reform and we support the decrease for those people who receive disability support pensions from that currently in place which will reduce their out-of-pocket expenses to \$400 per annum. Additionally we support the decrease for non-concessional families of \$1,000. It is also important to acknowledge within this Submission that for those who are not concession card holders, family tax benefit A recipients or those who do not qualify for item 319, the safety net primary threshold from 1 January, 2016 will actually decrease from \$2,000 to \$1,000 which we support.

Intensive psychotherapy

However, we are very concerned about the financial gap or more importantly financial burden which we believe will occur under the Medicare safety net arrangements from 1st January, 2016 to those patients who recover as a consequence of receiving *intensive psychotherapy*. Psychotherapy is a well-recognised treatment for people who have experienced severe childhood trauma, domestic violence, etc. and who have been diagnosed with a number of different mental illnesses.

The current Royal Commission into institutional sexual abuse has opened memories for many victims and also those who have suffered sexual abuse by other perpetrators. The Organisation *Adults*

Surviving Child Abuse (ASCA) statistics show more than 80% of abuse occurs in the home environment by an immediate or extended family member. We understand that it is many people from this group who are now seeking psychotherapy with the changes to the Safety Net affecting them.

Medicare Item Number 319

We are concerned that the Government *refers* to Medicare Item Number 319 as a way of addressing the needs of people accessing *intensive psychotherapy*. There are some very concerning and problematic issues from our perspective in this regard. Firstly the Medicare Item number 319 requires a person to have a level of impairment within the range 1 to 50 of the Global Assessment of functioning (GAF) Scale and the consumer displays at least 'serious symptoms', which means they can be experiencing significant symptoms impacting on normal life and employment that do not quite reach this level. The Network has been advised that the requirements for the use of 319 are now outdated and need to be changed. The DSM V (Diagnostic and Statistical Manual) has completely dispensed with the GAF as it was inaccurate and too subjective. Therefore it should also be removed as a specific criteria from this item number. Additionally in the DSM V personality disorders have been moved to Axis 1 which means that they are on a par with Bipolar and Schizophrenia and related disorders and must be treated in the same manner.

Further criteria require the consumer's illness to fall within specific diagnostic criteria and that it is evident that a severe and significant level of impairment exists which interferes with their quality of life. Some further concerns for the Network are that consumers may cease to see the psychotherapist until the commencement of the next 12 months cycle preferring to be treated under Medicare item number 306 because of the stigma associated with Item Number 319. The fact that its use can be easily discovered via subpoena of MBS records, with possible consequences for the individual (eg an estranged spouse being deemed to be an unfit parent by the opposing party in Family Court proceedings) despite benefitting from treatment and cooperating in every way. One of the risks is that consumers may cease treatment suddenly which has associated risks to their lives and well-being or meet the out-of-pocket costs – an increase of at least an additional \$107 once the 50 session limit has been reached. The total number of consultations a person can receive under Medicare Item Number 319 is currently 160 consultations per annum.

Further concerns to the Network is the potential for a sudden disruption of therapy because the gap cannot be afforded or because the 50 sessions have been reached. This might have serious associated risks to their lives and might severely interfere with their real chance of recovery. This could also severely interfere with the psychotherapeutic process resulting in many additional months working through their issues in therapy which may not otherwise have occurred. The other main concern we have is that a large number of consumers may not be able to afford longer term psychiatric treatment including psychotherapy, which would be disastrous for mental health provision in Australia.

Many of the people affected are often not in a position to fund the gap. These consumers are people who are deeply distressed, live with constant suicidal thoughts, have experienced significant childhood trauma, have treatment resistant mental illnesses such as anxiety, depression, personality disorders, developmental disorders and/or combination of these with significant co-morbidity. These are people who to a large extent struggling with daily functioning. They are both male and female, from across the lifespan, geographic locations and levels of education with many being Centrelink recipients.

We note that under Medicare item 319 consumers unable to work are covered, which we understand will not change under the SMSN. However, for many of these consumers who manage to obtain some form of employment despite being mentally ill and having significant dysfunction, are not usually in

high paid employment. Rather they are usually under functioning in the working world, with psychotherapy assisting them obtain an increased level of functioning to work closer to their capacity. Intensive psychiatric care and psychotherapy assists for many in stabilising their lives, reducing the dependence of medication and over a long period offers significant remission.

For a consumer accessing intensive psychotherapy, or consumers accessing treatment under Medicare item 306 who need to see their psychiatrist more than 50 sessions per year the gap payment from 1 January, 2016 will be significant.

- **Medicare Item 306**

(Attendance of more than 45 minutes duration but not more than 75 minutes duration for 50 attendances in a calendar year)

Fee: \$183.65 Benefit: 75% = \$137.75 85% = \$156.15

For a consumer receiving treatment by psychiatrists who are seen under this Medicare item capped at 50 sessions per year who subsequently require additional consultations to keep them out of hospital, transition to Medicare item 316 is required which could result in considerable financial disadvantage. The overall gap varies considerably and can be dependent upon whether they are concession card holders or family tax benefit A recipients or whether they qualify for item 319.

- **Medicare item 316**

(Attendance of more than 45 minutes duration but not more than 75 minute duration for 50 attendances in a calendar year)

Fee: \$91.95 Benefit: 75% = \$69.00, 85% = \$78.20

The Australian Medical Association's recommended rate for this Medicare item number is \$340 per session. However, according to figures from the Royal Australian and New Zealand College of Psychiatrists the average charge for this Medicare item by treating psychotherapists is \$244.00 per session. We understand that where some psychotherapists don't bulk bill, their patients attending reasonably 3 sessions per week, could well be around \$280-\$300+ gap per week.

At gaps of \$300 or more, this is above the 150% cap on the safety net service maximum. This is a critical point to make and we believe very strongly there is a cause for special consideration for mental health consumers.

Expenditure of this item number (316) during the period 2014-2015 accounts for only \$3.3 million which equates to only 1% of the total psychiatry expenditure.

It can be demonstrated from this data, that significant cost gaps will occur under the SMSN from 1 January, 2016 for mental health consumers who will be required to meet the out of pocket costs. We believe the changes to the Single Medicare Safety Net will see many current and future consumers adversely affected financially. Should there be no uptake of alternatives for consumers then we are gravely concerned for the ongoing therapeutic relationship, financial burden or consumers' wellbeing and safety.

Unlike Radiation Oncology, people accessing intensive psychotherapy cannot receive this treatment within the public sector. You can see from the table below for the period 2014-2015, the total of 2.26 million Medicare psychiatry services were provided with a total psychiatry expenditure of \$331.7 million in benefits out of a total of \$20.2 billion paid for all Medicare expenditure which means that

psychiatry accounts for only 1.64% of the total Medicare expenditure. The Government's solution to intensive psychotherapy referred our Network to Medicare Item No. 319 where the expenditure for the same 12 month period for this Medicare Item Number was just \$10.9 million representing only 3% of the total psychiatry Medicare expenditure. Whilst we can determine the number of people directly affected which is relatively low, most of these people are the most vulnerable.

MBS Data for selected Psychiatry consultations, 2014-15

	Total Number of Services	Total Benefits Paid Amount (\$m)	Bulk Billing Rate	Average fee charged for patient billed services (\$)
00304	569,557	70.8	40.5%	194.73
00306	644,548	121.2	33.9%	267.76
00314	645	0.1	10.4%	235.60
00316	14,994	3.3	1.5%	260.69
00319	48,456	10.9	12.2%	264.90

Note: Patient Billed services excludes services that were bulk billed.

As an organisation representing the interests of mental health consumers and their families, we would urge the Australian Government to seriously consider their needs which are unique to mental health. We strongly request the Australian Government consider either of the following recommendations in the interim.

- Remove the 50 session limit per annum on Medicare item number 306
- Or
- Remove the 150% cap on what is considered for the safety net

We urge the Australian Government to have in place from 1 January, 2016 processes as outlined above which will enable consumers genuinely requiring long term, intensive psychotherapy **or those** transitioning from Medicare item 306 to 316, to continue to receive treatment without having to make serious and deleterious decisions or face huge out of pocket payments.

We would welcome the opportunity of providing further input or to discuss this Submission directly from a consumer 'lived' experience.

Please contact me on email: [REDACTED] or telephone: 1300 062 042.

Ms Janne McMahon OAM
Independent Chair,
18th November, 2015