



PUBLIC HEALTH ASSOCIATION
of Australia Inc

ABN 41 062 894 473

Mr Elton Humphrey
Committee Secretary
Community Affairs Committee
Parliament House
CANBERRA ACT 2600



Dear Mr Humphrey,

Health Insurance Amendment (Medicare Safety-nets) Bill 2005

The Public Health Association of Australia (PHAA) is a forum for the promotion of the health of the public as well as being a professional resource for public health personnel. The PHAA has a national and multi-disciplinary perspective on public health issues.

Thank you for the opportunity to provide a written submission on the Health Insurance Amendment (Medicare Safety-nets) Bill 2005.

The PHAA does not have the resources to undertake a statistical analysis of the numbers of Australians who would be affected by higher out of pocket medical expenses as a result of increased thresholds, nor do we have access to information that would allow us to model the extent of the higher out of pocket expenses.

However, the PHAA would like to note that the Government's proposed amendments to thresholds under the Medicare Safety-net would harm those least able to afford out of pocket expenses for health care. The increase in the Medicare Safety-net for those on low incomes will affect those who are more likely to be both poor and sick. This group has the least financial resilience and is most vulnerable to falling into poverty traps brought on by medical costs.

It is the PHAA's belief that the Australian Government should acknowledge that the poorest Australians will be placed in increased jeopardy by any increase in the Safety-net thresholds. Further, the PHAA believes that the Government should reconsider the issue of Safety-nets and undertake a full review of the Medicare Benefits Schedule, in particular, the inflationary effects that the safety-nets have had on high-fee charging specialist services in Australia's richer areas.

If greater equity in health care delivery is to be achieved, the thresholds for Safety-nets for those on the lowest incomes, especially concession card holders, need to be lowered not increased. The recent proposals to cut welfare payments makes this even more critical. The Australian Government has clearly stated that it wants people with disabilities, mental health problems or episodic illness to go back to work. This will become

increasingly problematic for people who are already struggling to afford health care if safety-net thresholds are increased and they feel unable to access care.

Further, when individuals don't access health care early because its too expensive, untreated conditions can worsen or become chronic, leading to increased long term medical costs. People who have their health needs met, when required, are less of a burden on the health system and save extensive hospital costs from untreated or poorly treated conditions. Increasing the Safety-net thresholds won't increase equity and the proposition that such increases will reduce health costs is not sustainable over time. The proposal to increase the Safety-net thresholds simply shifts the cost burden for health onto the people in the Australian community who can least afford it.

I would be happy to discuss any of the issues raised above with you should this prove useful. I can be contacted on (02) 62852373 or at plaut@haa.net.au

Yours sincerely,

Pieta-Rae Laut
Pieta-Rae Laut
Executive Director
17 August 2005