THE NATIONAL ASSOCIATION OF PRACTISING PSYCHIATRISTS

8th October 2005

Community Affairs
Legislation Committee
Parliament House
Canberra
ACT 2600

National Health Amendment (Budget Measures – Pharmaceutical Benefits Safety Net) Bill 2005

Health Legislation Amendment Bill 2005

Dear Sir,

The National Association of Practising Psychiatrists (NAPP) would like to thank the Committee for the invitation to respond to the proposed amendments referred to above.

Whilst understanding the need of government to maintain the affordability of the Pharmaceutical Benefits Scheme, NAPP is of the view that the overall health context of the community, and its needs, should be kept in mind when formulating policy.

NAPP therefore respectfully submits the following concerns. We are acutely mindful of the ongoing community concern surrounding the ramifications of the recent US Free Trade Agreement. Should this lead to escalating costs of medicines as market forces are brought to bear, the proposed changes will become an additional burden to be borne by the vulnerable of our community.

Psychiatric patients have been struggling with inadequate services for some years now. The consistent policy downgrading of psychotherapeutic expertise (eg Medicare Item 319 restrictions), the downgrading of expertise in public psychiatry positions and underfunding of treatment centres have all led to strain on service delivery. One policy reaction has been to upgrade the skills of GPs who invariably are encouraged to prescribe more. Their reduced numbers due to provider number restrictions and an ageing workforce mean they will have little time to do much else.

Given the above, NAPP asks whether it makes sense to burden patients who are already vulnerable by virtue of their illness, with increasing costs while service cuts and policy reactions are at the same time pushing for an increase in reliance on medication?

It needs to be emphasized that NAPP sees a significant contradiction in the ongoing existence of restrictions to Medicare rebates for long term psychotherapy (Item 319) which reduces the need for medication, while at the same time other policies increase the use of medication which then requires the costs to be contained.

NAPP has two further concerns. The first relates to the proposed changes to the "immediate supply" 20 day rule. It is self evident that some psychiatric patients will be among those who perhaps commonly misplace medication because of their mental state. Increases in payments, or reductions in applicability of co-payments towards safety-net arrangements would seem to us to be unintentionally punitive and perhaps discriminatory. NAPP would seek exemption of such medications under new provisions.

More importantly, NAPP views with grave concern the two proposed amendments to Schedule 3 of the Health Insurance Act 1973 as outlined in the Second Reading speech by the Hon Mr Pyne MP on September 14th.

Our concerns arise directly from NAPP's ongoing experience with Medicare Item 319 restrictions. These restrictions remain clinically and scientifically unjustifiable, discriminatory and breach privacy regulations. The government has consistently failed to address this and their negative impact on patients.

In light of this we would seek urgent clarification of exactly what is to be gained by seeking more power under the first amendment. The reference in the speech to the first amendment is vague and ill-defined, and should not in our view be acceded to without closer scrutiny.

In addition, the second amendment seems to indicate that the government wishes to be given extra power to arbitrarily dictate what treatment will and won't be rebated under Medicare, in lieu of current arrangements.

It is noteworthy that the justification for this amendment, to rein in the costs of new technologies, does not sit comfortably with the fact of Item 319 restrictions which were arbitrarily imposed in 1996 on an existing treatment, not a new technology, with no justification other than to save money. Patients continue to suffer. Having set this precedent, there would appear to be no safe-guards in the amendments to prevent this happening again, and indeed it may even encourage such an unfortunate occurrence. The community would suffer under what can only be envisaged as US-style managed care scenarios that will ensue from such arbitrary use of power that is divorced from clinical realities.

We would urge the Committee to carefully consider the implications of the proposed amendments. NAPP again thanks the Committee for the invitation to put our concerns.

Yours Sincerely,

Dr G Anaf

Telephone: 02 9556 2534 Fax:: 02 9567 4681
Address: PO Box 12, Arncliffe, NSW 2205