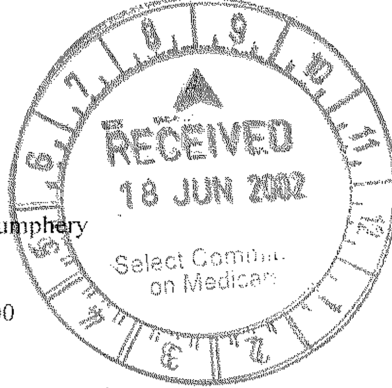

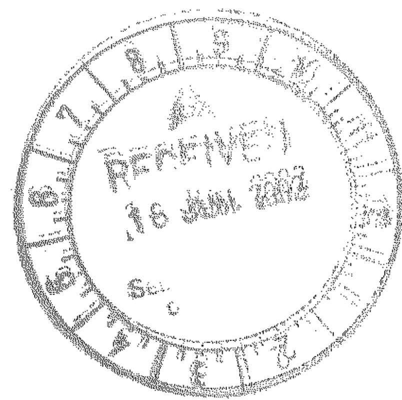

Secretary: Elton Humphery
The Senate
Parliament House
Canberra ACT 2600
AUSTRALIA

Email:medicare.sen@aph.gov.au

SUBMISSION TO SENATE SELECT COMMITTEE ON MEDICARE

My submission is a collection of articles published in daily newspapers and journals (attached- 6 pages).

SUMMARY:

1. Free services/products are overused and abused. This overuse of health services costs taxpayers, who are forced to pay high tax rates, reducing the incentive to work. Therefore **health care should not be free**. Low-income earners can be *compensated by tax cuts or higher pensions* but everyone must pay for health care until a safety net limit of about $1000 per year is reached.
2. Even in communist China, a charge applies to see the doctor. As Mao said: "**What the people are given for nothing, they do not value**".
3. There is a deep malaise in our society called the FOHP (From Others Hip Pocket) syndrome, similar to the NIMBY (Not In My Back yard). Everyone wants **freebies** (free services/products) but **paid not from their pocket, but From Others Hip Pocket**. Unless we cure this malaise, Australians will keep going backwards in the long run, in the international ratings of standards of living.
4. **Medicare is highly inefficient**. It wastes our time and taxpayers' money by making us claim the rebate and then send it to the doctor and so on. Why not let the patients pay just the gap and let doctors claim from Medicare directly?
5. There is **no shortage of doctors**: Bulk billing (free services) creates an illusion of shortage. Since food, electricity, gas and telephone services are even more essential than access to doctors, I demand that they are provided free to the population.
6. Taxes are already high in Australia (the top marginal tax rate is one of the highest in the world). The only way to fund better services is to let the **'user pay'**.

Ms Judy Thallur
76 Hallett Road
Burnside, SA 5066

Attached: 6 pages.

THE AUSTRALIAN 23/04/2002

Workable system won't mind ga

DOCTORS N. Boyapati and Michael Reid (Letters, 20-21/4) correctly sum up the Medicare situation. It is caught between the political wisdom that Medicare is untouchable — a view held by both sides of politics — and the financial impropriety of Australia's funding medical care free to all.

The last time this problem was addressed with any hope of a sensible solution was when Labor considered a "moiety", that is, a gap payment.

Not long before this, the boycott by NSW orthopaedic surgeons had successfully prevented public hospitals paying them the lower rates paid in Queensland public hospitals.

Emboldened by this triumph, activist members of the AMA opposed the ALP proposals.

So Medicare continues to deny a GP the right to charge a gap payment and still bulk-bill the patient. This situation should be reassessed.

Before my retirement, I had 39 years in private general practice and my experience was that bulk-billing GPs, in general, were more rushed and thus delivered inferior care compared with those GPs who charged a moiety to non-pensioner patients. I was in the latter group and admit my bias, but consultants and medico-legal lawyers usually agree. The Liberals, ALP and AMA should get together and support GPs' rights to charge a moiety to non-pensioners and still bulk-bill.

Dr Boyapati is correct in showing that gap payments reduce demand on services. Australia would benefit by reducing the burden of Medicare on the federal Budget while raising the standard of general practice.

David F. Pincus MBBS
Buderim, Qld

The Age 23/7/2002

Free doctors create shortage

The claim of Doctors O'Dea (15/7) and Rankin (19/7) that there is a shortage of GPs is incorrect. Vested-interest groups such as those they represent are distorting the truth.

I operate a medical practice in the outer suburbs and bulk bill. While I continue to bulk bill, I could work 24 hours a day and still have patients. I recently decided that, to stay sane, I would charge patients a minor gap payment of $15 for consultations after 5pm. I found that demand for my services after 5pm evaporated!

My experience and those of other GPs shows that the demand for our services exists mainly because they are free. It appears that the public values our services so little that they are unwilling to pay the cost of a pizza for health care.

If services were provided free at the point of delivery, there would be unlimited demand for any service: handymen, plumbers, hairdressers, accountants, lawyers.

Providing free medical services and claiming a shortage of GPs is analogous to providing a free taxi service to everyone and the Australian Taxi Industry Association claiming that there is a shortage of taxi drivers.

The reality is that there is an oversupply of GPs, and people do not consider their health care to be valuable enough to pay for.

The Age 26/7/2002

Food isn't free, so why doctors?

Kate Stewart's claim (24/7) that because health care is essential it should be provided free is flawed. Food, clothing, electricity and gas are even more essential. Why aren't these provided for free?

Such arguments reflect a deep malaise in our society. This is what I call the FOHP (From Others' Hip Pockets) syndrome, similar to NIMBY.

An example of FOHP is when sectors such as health care, education and child care claim their services are essential, so they must be subsidised or provided free. The fact is people want various services, but do not consider them valuable enough to pay for it at the point of delivery.

Judy Thallur, Burnside, SA

People only value what they pay for

The impact of universal bulk billing on demand for medical services is much worse than Dr Boyapati outlined in his letter of (23/7), and Kate Stewart (24/7) inadvertently exposes the reason.

People who believe that, having paid their Medicare levy, they have paid for their health care, feel free to demand unlimited service without further payment, not only from GPs but from public hospitals.

The truth is that the Medicare levy meets only about 67 per cent of Medicare rebate payments, and has never met their full cost, let alone made any contribution to public hospitals or pharmaceuticals.

Even in communist China a small charge is applied. As Mao said: "What the people are given for nothing, they do not value."

Clyde Scaife, Hamilton

Medical Observer 20 July 2001, p 29

Real competition key to leaner PBS costs

EDITOR: Dr Paul Sherwin's proposed 'solutions' for reducing Pharmaceutical Benefits Schedule (PBS) costs (Letters, 6 July) reek of more regulation of the most regulated profession of all: the medical profession.

For a country to be competitive in the global environment, policies have to be put in place to encourage people (including professionals) to work harder and smarter, rather than impose restrictions that reduce the efficiency and effectiveness of their work.

It is ridiculous for Dr Sherwin to claim that there are laws restricting the number of hours worked by certain people.

That may well apply to a few categories of employees, but I know of no self-employed business people (many GPs are in this category) to whom such restrictions apply: for example lawyers, accountants, bakers, plumbers and engineers.

Would anyone dare impose restrictions on the number of clients seen by self-employed professionals, or the services rendered by self-employed tradespeople?

> Co-payments for visits would curb demand and "reward efficient GPs"

The simple answer to reducing PBS costs is to send 'price signals', by at least tripling the currently meagre co-payment for drugs.

Similar co-payments for visits to GPs would curb demand, introduce some real competition and reward efficient GPs.

Politicians are reluctant to do this (Labor more so than Liberal) for political reasons, and are expecting GPs to do the dirty work for them. They are diverting the flak that they would receive from patients, to the GPs.

Expecting GPs to restrict the number of scripts they write is analogous to the government providing a free taxi service to everyone and forcing the driver to ration the unlimited demand it would generate.

The Age 5/5/3

No special favours

Re "Can Medicare survive" (Insight, 3/5). Francis Sullivan, chief executive of Catholic Health Australia, claims that the proposed Medicare reforms will lead to a "three-tiered health system". However, even in the case of the essentials of life such as food and utilities, the quality and quantity of goods and services is proportional to the price — i.e., there are infinite tiers. Why should medical services be any different? As for John Deeble's suggestion that more taxpayers' money be put into Medicare, I don't want to pay any more tax or levy. I prefer to spend the money on things I consider are important to me, thank you very much.

Ray Thaller, Coburg

Making Medicare more efficient

The Age 3/4/2003

While some doctor groups such as the unrepresentative Doctors Reform Society will oppose any proposal that displays a whiff of efficiency, the Government's proposal to allow doctors to charge a co-payment and have the rebate paid directly to them electronically (*The Age*, 1/4) has merit. Along with many GPs who charge a co-payment, we routinely shred the "Pay Doctor Cheques" that patients receive from Medicare and forward to us. This is because it is more cost efficient for us to wait for the electronic transfer of the rebate, which occurs after 90 days.

Medicare could save hundreds of millions of dollars (on processing and printing of cheques, postage etc) and the unnecessary run-around by patients, if the Government's proposal is adopted. This is just one example of how Medicare can make savings.