



Catholic Welfare Australia
A COMMISSION OF THE AUSTRALIAN CATHOLIC BISHOPS

20 June 2003

Mr Elton Humphery
The Secretary
Senate Select Committee on Medicare
Suite S1 30
Parliament House
CANBERRA ACT 2600

Dear Mr Humphery

Senate Select Committee on Medicare

Catholic Welfare Australia is the peak body representing Catholic welfare organisations. It is a national federation of Catholic social service organisations that operate in local communities and at a diocesan level including Centacare agencies nationwide. Membership also includes many social welfare agencies run by Religious Orders across Australia.

Catholic Welfare Australia is an organisation of the Australian Catholic Bishops' Conference and is responsible to the Catholic Bishops through a Board appointed by the Conference. The network of Member Organisations employs over 5000 people and provides direct assistance and support to many thousands of people each year. Catholic Welfare Australia Member Organisations administer a diverse range of services to children and their families in local communities throughout Australia.

As a Commission of the Australian Catholic Bishops, this organisation is committed to equitable public policy and advocates for the preferential treatment of the most vulnerable members of the Australian community in all matters of economic and social policy. Catholic Welfare Australia supports Catholic Health Australia in advocating socially just health policy.

In this capacity, Catholic Welfare Australia welcomes the opportunity to provide a short submission to the Senate Select Committee on Medicare and makes the following points.

Australia's universal health system is a valuable asset and it should be protected and enhanced, not diminished or eroded.

In this respect, the recent attention and commitment to resourcing Medicare by both major political parties is welcomed by Catholic Welfare Australia.

In particular, the Government's funding commitment to increase GP training places and to provide extra publicly funded medical school places and more funding for practice nurses and allied health workers is supported. Health professionals are the foundation of Australia's health system, and additional resources and funding to support these professionals is essential to ensure the health system is equipped to meet Australia's emerging health needs.

Catholic Welfare Australia notes that the Government has proposed certain measures to provide incentives for GPs to bulk bill concession card holders. While Catholic Welfare Australia supports the recognition that concession card holders should have greater access to bulk billing, there are a number of concerns associated with this measure:

- There are no assurances that all concession card holders will be able to access a bulk billing doctor because the guarantee only applies if the GP practice has agreed to take part in the new Government funded General Practice Access Scheme. The publicity following the Budget suggests that many GP Practices have indicated that they are not willing to participate in the Scheme.
- There are many individuals and families on low incomes who are not concession card holders and the measures announced by the Government will not provide any increased certainty for those on low incomes that they will be able to access a bulk-billing doctor. This measure has the potential to hit the 'working poor' the hardest.
- There is also scope for this measure to become a further poverty trap and an inhibitor for people to move from welfare to work. In making assessments about the viability of taking a job which may result not only in the loss of a concession card but access to bulk billing doctors, it is conceivable that many people will consider that the move to paid employment is simply not in their family's best interest. This would actively counteract this Government's policies about removing disincentives which inhibit people moving from welfare to work.
- There is the potential that the Government's Medicare proposals will lead to a two-tier system where concession card holders will be discriminated against by facing longer waiting times to see GPs, as preference may be given to fee paying consultations. While it may be argued that the current system also has the potential to discriminate against patients who are bulk-billed by favouring fee paying consultations, the fact that bulk-billing is theoretically open to everyone (if they find a bulk-billing doctor) and not confined to any one "group" means it is harder to discriminate in service quality. Making an association between bulk-billing and a particular group of people such as concession card holders has the very real possibility that service quality will be reduced in some cases for this group. This is simply not equitable and not fair.

In general, the measures to reduce the up-front fees paid at the GP surgery (where doctors do not bulk-bill) are a welcome initiative. The reduction in upfront costs and the reduced time and effort required to claim the Medicare rebate will be supported by many Australians. However, the concern which has been expressed in the community (and which the Government has not been able to provide any assurance about) is that GPs that do not bulk bill will be able to increase the gap fee at the time of the consultation. This issue must be addressed to assure the Australian people that the changes to Medicare claiming is not simply an exercise of smoke and mirrors which at the end of the day leaves people making a greater financial contribution than they currently do for a basic medical consultation.

Catholic Welfare Australia analyses policy on the basis of a number of Catholic Social Teaching principles. Two of the key Catholic Social Teaching Principles are ‘the Common Good’ and ‘the Preferential Option for the Poor’. In referring to the Common Good, the Catholic Church has made the following observation:

The best way to fulfil one’s obligations of justice and love is to contribute to the common good according to one’s means and the needs of others, and also to promote and help public and private organisations devoted to bettering the conditions of life.¹

To achieve the common good, policy and programs should be assessed to ensure that the poor and marginalised are not excluded, and are actually given priority access and support in areas of public policy. The principle of the preferential option and its purpose is summarised below:

The prime purpose of this special commitment to the poor is to enable them to become active participants in the life of society. It is to enable all persons to share in and contribute to the common good. The “option for the poor”, therefore, is not an adversarial slogan that pits one group or class against another. Rather it states that the deprivation and powerlessness of the poor wounds the whole community. The extent of their suffering is a measure of how far we are from being a true community of persons. These wounds will be healed only by greater solidarity with the poor and among the poor themselves.²

Using these principles as a basis for examining policy, Catholic Welfare Australia has greater support for initiatives such as those proposed in the Labor Party’s Budget reply speech which would provide greater incentives for GPs that have a higher proportion of bulk-billing across all of their practice. While there is insufficient detail available about these proposals to make specific comments, they appear to be in greater accord with the principles of the common good and a preferential option for the poor. The current Medicare system which is based on a Medicare levy collected through the taxation system ensures that individuals are making a contribution to the universal system based on their level of income (the common good). Ensuring a greater number of bulk-billing GPs are available to all people on low incomes (not just concession card holders) is essential if the principle of the preferential option for the poor is to be upheld.

¹ Second Vatican Council, 1965, *The Church in the Modern World*, para 30.

² United States Catholic Bishops, 1986, *Economic Justice for All: Pastoral Letter on Catholic Social Teaching and the US Economy*, para 88.

Catholic Welfare Australia also recommends that further consideration be given to enabling the Commonwealth to employ salaried doctors to operate in areas of financial disadvantage, geographic areas that have a reduced number of bulk-billing doctors and in rural and regional Australia. This would provide the Commonwealth with the capacity to direct free medical services to those areas in greatest need. As a free service, it upholds the Government's absolute obligation to provide universal health care particularly to those who are financially disadvantaged, and also to assist those who struggle financially but do not have a concession card.

The Government's proposals to enable individuals to take out private health insurance to cover out-of-pocket expenses for Medicare services of more than \$1,000 in a year – and specifically the proposal to enable this insurance to receive the 30% Rebate is problematic on the grounds that these measures actively discriminate against low income families. While Australians should have the personal choice about taking out private health insurance, this is not even an option for many low income families as they simply cannot afford it. The Government's continued use of the 30% rebate actively favours those who are more well-off financially at the expense of investing these funds in general health infrastructure which would be for the betterment of all Australians.

In conclusion, Catholic Welfare Australia welcomes the bipartisan commitment which has been given to increase the level of investment in Australia's health system. While there are some good measures put forward by the Government, in particular the increased investment in the medical workforce, Catholic Welfare Australia is concerned that many of the changes proposed in relation to bulk-billing and payment options will be to the detriment of Australia's poor, particularly the 'working poor'.

Catholic Welfare Australia welcomes the Senate Select Committee's consideration of Medicare, particularly the detailed examination of the proposed measures which have been put forward by the Government in the 2003/04 Budget. If Catholic Welfare Australia can be of any further assistance to the Committee, please do not hesitate to contact us.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Neil Harrigan', written in a cursive style.

Neil Harrigan
Acting National Director