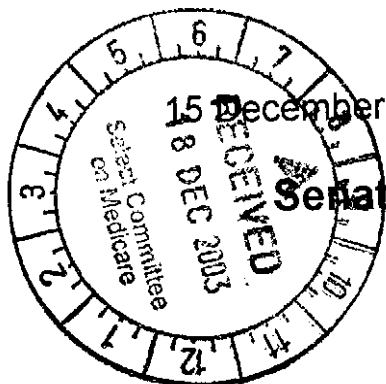


**COMBINED PENSIONERS AND SUPERANNUANTS
ASSOCIATION OF NEW SOUTH WALES INC.**

Founded 1931.
Representing pensioners, superannuants and low-income retirees.



Our Ref: IHM.003

**Senate Select Committee on Medicare: Inquiry into
MedicarePlus**

Submission

Introduction

Combined Pensioners and Superannuants Association NSW Inc. (CPSA) is a non-profit, non party-political membership association which represents pensioners of all ages, superannuants and low-income retirees. CPSA promotes the rights and aims to improve the standard of living and well being of its members and constituents. CPSA has approximately 140 Branches and affiliates with a combined membership of over 12,500 people living in all parts of NSW.

Policy statement

CPSA in alliance with other community organisations formed the Save Medicare Alliance (SMA). CPSA in concert with the alliance has steadfastly opposed any attempt to dismantle or downgrade Australia's universal health care system we know as Medicare. CPSA submits that bulk billing is the core of this universal system and therefore in the interest of maintaining Medicare's viability, bulk billing must be maintained and improved.

We believe MedicarePlus does not meet these basic criteria. Accordingly, CPSA rejects the Commonwealth's plans for Medicare and we will be calling on the opposition parties to reject it as well. We will also be asking them to support a credible strategy to deliver universal health care and reverse the decline of bulk billing.

CPSA's analysis of MedicarePlus

In response to criticism and rejection of its previous health package called Fairer Medicare, the government has put forward a new proposal dubbed MedicarePlus funded by \$2.4 billion up to 2007. Subsequent to 2007 funding allocations will be \$1 billion a year. Quite apart from the rigidity of such a proposal (who is to know the effects of future inflation?) CPSA identifies the following problems:

- Provision of bulk billing only for concession card holders and children aged 16 and under;
- Different rebate levels which clearly demonstrate the Commonwealth's intention to discourage bulk billing for all Australians. Furthermore, the AMA has stated that an additional \$5.00 will not encourage GPs to bulk bill the above groups;
- The proposed safety net will still require patients having cash on hand to purchase the service. Patients without the ability to pay will end up in outpatient and emergency departments of public hospitals as a result of not seeing a doctor before their health problem deteriorated;
- The 20 per cent co-payment and the \$500 and \$1000 safety nets are far too high for many Australians and will place them in the same unenviable position of over 40 million U.S. citizens who cannot afford health insurance;
- CPSA calls for initiatives to address critical shortages of doctors and nurses. However, we are mystified as to where and how such shortages are to be addressed by MedicarePlus. The federal government needs to clarify its strategy in this regard;
- CPSA has been calling for more GPs to attend to patients in nursing homes to alleviate the chronic and deplorable lack of interest in this area of health delivery. We support any reasonable initiative which will encourage GPs in this aspect of health delivery. However, we cannot see how MedicarePlus will address this issue;
- CPSA deplores the intended introduction of the "swipe card" mentality in such a critical matter as health delivery.

Commentary

MedicarePlus is no more useful than previous Commonwealth initiatives on Medicare. It seems that the current government still intends to dismantle Medicare in the longer term. Statements by the Prime Minister in the 1980s and recent statements from the Minister for Health and Ageing indicate that Medicare is under a cloud.

The constant reference to a safety net by the Prime Minister and the Minister for Health strongly implies the discarding of universality. It is simply not possible to have both together. You either have a system for everybody or else you have a system only for disadvantaged groups.

There is evidence that some doctors are confining bulk billing to only certain periods of their surgery opening hours. CPSA believes that this development has been encouraged by the existence and anticipated progression into operation of the MedicarePlus proposal.

To further confirm CPSA's suspicion that the government's central aims remain the dismantling of Medicare, we point to the incredibly muddled, misconceived proposal that the private health insurance rebate be increased from 35% to 40% or higher. We would argue that this would not only further entrench and increase this misuse of funds, but would play a major role in creating an inadequate two tier system that exists in the United States. Furthermore, our association would like to see the private health insurance rebate abolished and the funds put directly into the public health system.

Doctors should be adequately compensated for their services and dedication. However, we question the inequality of power between doctors and patients in this crucial negotiation for a first class health system such as that enjoyed by Australians for at least the last two decades. An acceptable formula for the Australian health system is not one that necessarily satisfies only the doctors – satisfaction must also be available to the users of the system, namely Australia's citizens. MedicarePlus appears not to meet this criterion.

In addition to adequate compensation as stated above, CPSA is most mindful of the shortages in the numbers of health professionals in Australia. Other than identifying these workforce shortages and calling for action to avert them, CPSA would consider supporting any reasonable action to train

and/or acquire adequate numbers of these professionals for Australia's needs. However, any training would need to be properly funded and real incentives would need to be in place for doctors, nurses and allied health professionals to remain in the health system. This would entail:

- Raising the Medicare levy to encourage doctors to bulk bill all their patients;
- Paying nurses an adequate salary – especially aged care nurses who are remuneratively worse off than their public and private hospital counterparts (aged care nursing is a Commonwealth responsibility);
- Tying Commonwealth-State Health Care Agreements to the appropriate payment of all health care workers – especially poorly paid workers such as social workers.

Recommendations

Departing from the point of CPSA's absolute rejection of the Government's MedicarePlus package, CPSA calls for the following:

1. The maintenance and extension of the universal and affordable health care system, available to all, including universal access to bulk billing;
2. Increase of the Medicare levy;
3. Abolish tax incentives (including private health insurance rebates) to high income receivers;
4. A higher rebate for medical practitioners in rural communities;
5. An increased and adequate rebate for bulk billing doctors;
6. Dental treatment to be included in Medicare;
7. Australian Commonwealth-State Health Care agreements to be calculated as a percentage of GNP;
8. The maintenance of the Pharmaceutical Benefits Scheme and the public health system including public hospitals;

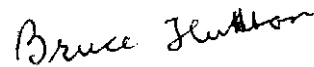
9. Centrelink's Pharmaceutical Allowance to be increased to be equivalent to one script per week for each recipient.

CPSA enjoins the Senate to reject the Government's flawed MedicarePlus proposal and seek to achieve the improved continuation of the current universal Medicare system.

Signed on behalf of CPSA:



M. C. Mifsud. JP
State President, CPSA.



Bruce Hutton
State Vice President, CPSA