Doctors, industry groups entrusted with the keys for a healthy Australia

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‘Tonight’s Budget is a winner for doctors and pharmacy interests as the Medicare rebate freeze is lifted and a new collaborative approach is embedded in a series of compacts with industry groups, but time will tell whether this will contribute to building a healthy Australia,’ says Australian Healthcare and Hospitals Association (AHHA) Chief Executive Alison Verhoeven.

‘Health Minister Greg Hunt has placed substantial trust through formal compacts with five professional groups – the Australian Medical Association, the Royal Australian College of General Practitioners, the Pharmacy Guild, Medicines Australia and the Generic and Biosimilar Medicines Association – in a budget which partly overturns horror budgets of the past.

‘It is now up to these groups and the Minister to ensure that this trust, and the funds being directed towards their interests, are well-invested for a healthy Australia.

‘There is a very real risk that tonight’s Budget will reward an increased volume of services and products, rather than incentivising a shift to greater value-based care and better health outcomes, particularly for the most vulnerable members of our community.

‘We commend the Minister’s pursuit of a more strategic approach to health policy, but the four pillars must be expanded to include primary care, aged care, Indigenous health, and better health outcomes.

‘The Minister’s three waves of reform are a guide for the remaining years of this Government’s term, but it is most disappointing that hospitals, primary care, prevention and Indigenous health are in the last wave of priorities.

‘The reform agenda needed across these areas is substantial, and won’t be put to bed solely by the formation of compacts with doctors and pharmacy industry groups.

Medicare

‘The progressive lifting of the freeze on Medicare payments for GP and specialist consultations and procedures may assist in shoring up Medicare, but risks continuing to drive volume in use of health services at the expense of value.

‘We hope that doctors – and particularly specialists – will play their side of their bargain and commit to bulk-billing for the many services which currently have large out-of-pocket costs associated with them,’ says Ms Verhoeven.

‘Higher out-of-pocket costs lead to less use of primary health care by people who cannot afford any kind of co-payment, which in turn leads to increased public hospital attendances and higher health costs down the track.

‘The Minister has proposed the Medicare Guarantee Fund as a measure to provide certainty for health funding, but it appears to be an exercise in compartmentalising health funding which could lead to longer term jeopardy should the coffers not be full enough.

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Primary care

‘AHHA welcomes the Commonwealth’s ongoing commitment to its previously announced Health Care Homes trial as the beginning of a much-needed reform journey for primary health care in Australia. The funding for pharmacists to play a role in the trial is welcomed – Health Care Homes must be more than just a new way to fund care, and must focus on the most efficient and effective ways to provide care to people with high burdens of disease.

‘The development of a national minimum data set for primary care was flagged last year by the Primary Health Care Advisory Group as critical infrastructure for Health Care Homes, but there appears to be limited action. Data provision should be a trade-off with doctors for the Medicare rebate thaw.

‘Moving to an opt-out mechanism for the My Health Record, and ensuring substantial investment for this is commendable.

Hospitals

‘While growth funding for public hospitals is settled until 2021 with just over $2 billion in additional funding, there remains considerable uncertainty over post-2020 hospital funding and the method of indexation for future years. Hospital funding requires a sustainable, long-term solution that is part of an overall strategy to shift from volume to value-based care, and that leverages the investments being made in primary care and in Primary Health Networks.

Preventive health

‘It is disappointing that the Prime Minister’s interest in preventive health, announced in a National Press Club speech earlier this year, has not been a greater focus of this budget. Preventive health requires long-term national leadership and sustained investment to reduce illness, prevent disease and promote wellness. This in turn reduces individual, intergenerational and health system burden, improves health system resource use and boosts productivity through greater economic participation and productivity. Australia spends less on public health and prevention than most other OECD countries.

‘It is time to make prevention a more prominent part of the Commonwealth’s health agenda, and acknowledge that more is needed than just spending on sports and exercise programs — you can’t have a healthy economy or healthy budgets if you don’t support a healthy population.

Medicines

‘AHHA supports the Commonwealth’s move to encourage doctors and patients to choose generic medications when appropriate over the more expensive brand name drugs. There must be a firm commitment to put savings from the shift to generic medicines back into the Pharmaceutical Benefits Scheme.

Private health insurance

‘AHHA is disappointed by the lack of progress in reforming private health insurance as part of tonight’s Federal Budget. This is a major let-down for policy holders who have been hit with substantial rises in health insurance premiums – and who remain very concerned about the value and transparency of their policies.
**Oral health**

‘Tonight’s Budget was a lost opportunity for greater equity in dental care by not restoring funding previously agreed to under the National Partnership Agreement for public dental services to adults. Last December the Commonwealth provided less than a fortnight’s notice to the states and territories of a significant cut to public dental funding—from $155 million in calendar year 2016 down to $128 million in calendar year 2017. The real pain is being felt by vulnerable population groups unable to afford private dental care.

**Mental health**

‘AHHA welcomes the $80 million investment for community psychosocial services for people who do not qualify for the National Disability Insurance Scheme. We note this is contingent on matched commitments from the states and territories.

‘Investment in mental health services for veterans is also welcome – although we note that much of the $350 million allocated is for improvements to IT systems for claims processing, rather than for direct service provision.

**Aboriginal and Torres Strait Islander health**

‘We welcome the commitment of $7.6 million over 4 years for a National Partnership Agreement on Rheumatic Fever Strategy.

‘It is unacceptable that Aboriginal and Torres Strait Islander peoples continue to have poorer health and a much lower life expectancy than the general population, and that this Budget has overlooked that massive inequity. COAG’s recent re-commitment to prioritising improving outcomes for Australia’s First Peoples should have been supported by appropriate funding and support for locally developed responses.

‘A commitment should have been made to appropriately fund the National Aboriginal and Torres Strait Islander Health Plan 2013-2023 and its Implementation Plan.

**Proton beam therapy**

‘AHHA welcomes the Commonwealth’s first investment in supporting proton beam therapy in Australia through the establishment of a world-leading facility at the South Australian Health and Medical Research Institute. This collaborative approach to novel technology and treatment will lead to better health outcomes for Australian patients and is a significant boost for Australia’s health and medical research community. Patients from other states must be financially supported to access this care if needed.

For AHHA media commentary, please contact Alison Verhoeven: 0403 282 501

For more information on the AHHA, visit [http://ahha.asn.au](http://ahha.asn.au). Read this media release online [here](http://ahha.asn.au).

**The Australian Healthcare and Hospitals Association is the national peak body for public and not-for-profit hospitals, community and primary healthcare services, and advocates for universal, high quality and affordable healthcare to benefit the whole community.**