The role played by health-care facilities and services in ensuring better health for all Australians

What role do health care facilities and services play in achieving better health for all Australians?

Students learn about:

- health care in Australia
  - range and types of health facilities and services
  - responsibility for health facilities and services
  - equity of access to health facilities and services
  - health care expenditure versus expenditure on early intervention and prevention
  - impact of emerging new treatments and technologies on health care, e.g., cost and access, benefits of early detection
  - health insurance: Medicare and private

Students learn to:

- evaluate health care in Australia by investigating issues of access and adequacy in relation to social justice principles. Questions to explore include:
  - how equitable is the access and support for all sections of the community?
  - how much responsibility should the community assume for individual health problems?

- describe the advantages and disadvantages of Medicare and private health insurance, e.g., costs, choice, ancillary benefits
Health care expenditure vs expenditure on early intervention and prevention

• A measure commonly used to describe and compare the size of health systems is the health-to-GDP spending ratio.

• It measures a country’s spending on health as a percentage of its spending on all goods and services.

• Australia’s health-to-GDP spending ratio has grown over the past decade, from 7.9% to 9.4% ($121.4 billion) in 2009–10.
Health care expenditure vs expenditure on early intervention and prevention (Cont)

• The average spend on health per person was $6787 for Aboriginal and Torres Strait Islanders compared to $4876 for non-Indigenous people (diff of approx $2,000)

• **over 90% of health spending** is allocated to the treatment of ill health and disease with only a very small percentage allocated to services and initiatives targeting early intervention and prevention of ill-health.

• Whilst ever this model of healthcare spending exists, healthcare spending will continue to rise as it costs significantly **more to treat and cure a disease** than fund programs aimed at **preventing** it.
• A shift towards health promotion/prevention will improve Australia’s long term health
• Benefits of this are that it’s more cost effective, improves quality of life, reinforces individual responsibility for health (empowerment)
• May be easier said than done – could prove difficult due to our ageing population & increase for treatment and age care facilities.
• It may take some time to realise the benefits of expenditure on preventative programs
Read the following articles:

• Prevention is always better than the cure p95 Outcomes
• The price of a life p 96 Outcomes

Discuss with the person next to you:
- What are the arguments presented in the articles that support greater health spending on health promotion and illness prevention?
- Do you think that spending on health promotion and illness prevention is a good investment for the Australian people? Why or why not?
Impact of emerging new treatments and technologies on health care

• Thanks to extensive research being conducted in the health care industry, there have been significant advancements in the treatments and technologies used in healthcare over the past 20 years.

• [https://www.youtube.com/watch?v=CmOGNfEJOcM](https://www.youtube.com/watch?v=CmOGNfEJOcM) (4mins)

• Advancements have benefitted the Australian community significantly, improvements in diagnostics have led to more accurate, specific and timely diagnosis which in turn increases the chances of successful treatment.
Impact of emerging new treatments and technologies on health care

• Diagnostic procedures include ultrasounds, CT scans, MRI scans and pathology (eg blood tests or biopsies).

All of these advancements have led to:
• Increases in life expectancy
• Improvements in quality of life
• More treatment options
• Decreased time spent in hospital
Health insurance – Medicare and private

- Watch click view: The Australian Health System
- In Australia there are 2 health care systems – public and private.

Medicare

- Medicare was launched in 1984 under the Hawke (Labor) government and provided Australia's first universal health insurance scheme.
- The MBS (Medicare Benefits Schedule) provides free or subsidised services for a wide range of health services, practitioners and procedures and is accessible for all Australians.
Health insurance – Medicare and private (cont)

• All Australian Government funding for health services comes from general revenue (taxation), one part is health-related—the Medicare levy.

• The levy was introduced in 1984 and was originally set at 1.0% of taxable income.

• It has increased several times and in 2016 is 2% of taxable income.
Health insurance – Medicare and private (cont)

• In order to achieve greater equity, low income earners are exempt from paying the levy.

• Since October 1997, a further surcharge (Medicare Levy Surcharge) of 1.0%-1.5% was levied on high-income earners who did not have private insurance cover for hospital care.
Health insurance – Medicare and private (cont)

- The Medicare Benefits Schedule (MBS) establishes a schedule of fees for medical services, which dictates the payments or rebate that the MBS contributes for those services.
- Practitioners are not obliged to adhere to the schedule fees, except in the case of participating optometrists and when practitioners bill Medicare directly, known as bulk-billing.
Health insurance – Medicare and private (cont)

• For non-hospital services, Medicare pays up to 100% of the schedule fee for GP consultations and up to 85% for services provided by medical specialists.

• Medicare covers:
  • 85% of MBS fee for out of hospital services provided by registered medical practitioners (GP’s, specialists, X-ray, pathology)
  • 75% of the MBS fee for medical services provided in hospital
  • 75% of the cost for eye tests
Health insurance – Medicare and private (cont)

• The full cost of accommodation and treatment by hospital appointed doctors in public hospitals
• The full costs of x-rays and pathology tests
• 75% of the in-hospital medical procedures performed by oral surgeons
• Free out-patient servicing in some public hospitals
Health insurance – Medicare and private (cont)

- Medicare does not cover:
- Dental examination and treatment
- Private patient hospital costs
- Ambulance and home nursing costs
- Physiotherapy and speech therapy
- Podiatry and psychology
- Alternative medicines eg. Acupuncture
- Glasses/contact lenses, hearing aids and medicines
Health insurance – Medicare and private (cont)

• The Pharmaceutical Benefits Scheme (PBS) subsidises certain prescribed medications.
• The PBS was established in 1948 and is now administered by Medicare.
• The aim is to ensure all Australians have access to necessary prescription medicines.
Health insurance – Medicare and private (cont)

• A further reduction is possible for those with concession cards.
• Once you reach the relevant threshold, the Medicare Safety Net may provide a higher Medicare benefit for all eligible services for the rest of the calendar year. This may mean that visits to your doctor or having tests could cost you less. For example, once you reach the relevant threshold, you still pay the same amount upfront to your doctor, however you may receive a higher Medicare benefit, making your out of pocket expenses much less.
• A safety net for the PBS also exists, similar to the Medicare Safety Net.
• The PBS Safety Net provides free medications once the threshold is reached.
Health insurance – Medicare and private (cont)

- **Private health insurance**
- As well as having access to the Medicare system, many Australian's are also taking out private health insurance.
- By the end of 2011, 10.4 million people (46% of the Australian population) were covered by private health insurance, which is the highest coverage since 2001.
Health insurance – Medicare and private (cont)

• There are 2 types of cover, hospital cover and extras cover (ancillary cover).

• Hospital cover provides assistance in covering the costs of being treated as a private patient in a public or private hospital. Some benefits include: avoiding public hospital waiting lists, choice of doctor or specialist, choosing to stay in a private room.
Health insurance – Medicare and private (cont)

• Extras or ancillary cover provides cover for services not covered by Medicare including dentistry, physiotherapy, podiatry, remedial massage and glasses.

• In an attempt to increase the number of people taking out private health insurance, the Commonwealth Government has introduced initiatives or incentives.
Health insurance – Medicare and private (cont)

• Means tested rebate for anyone with private health insurance (higher for over 65s)
• Lifetime Health Cover encourages people to take out private health insurance before age 30 to receive lower premiums.
### Health insurance – Medicare and private

#### Table 3.1: A comparison of Medicare and private health insurance

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<th>Medicare</th>
<th>Private health insurance</th>
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| Who pays?             | • Commonwealth Government  
                      | • Taxpayers                                                             | • Commonwealth Government  
                      | • Private contributors                                                  |
| How paid for?         | • Levy or tax linked to salary                                           | • Monthly premiums for various forms of cover                   |
| What benefits?        | • Basic medical services (doctors and specialists)  
                      | • Choice of general practitioner  
                      | • Basic hospital services in public hospitals  
                      | • Specialist health care  
                      | • Cover for 85 per cent of the scheduled fee for medical services  
                      | • Hospital cover  
                      | • doctor of choice  
                      | • hospital of choice  
                      | • private or public hospital  
                      | • Ancillary services — for example, dental, optical, chiropractic  
                      | • Some special benefits — for example, sports equipment  
                      | • Cover while overseas                                                  |
Advantages & Disadvantages of Medicare

• The **benefits** of Medicare include access to free treatment as a public patient in a public hospital and free or subsidised treatment by medical practitioners such as GPs, specialists, optometrists and dentists. Every Australian is covered for 85 per cent of the scheduled fee. Bulk billing allows patients to pay nothing and the doctor receives the scheduled fee from Medicare.

• The **disadvantages** include that not all medical needs are covered by Medicare and the ‘gap’ can be expensive for many.
Advantages and disadvantages of private health insurance

• The **benefits** of private health insurance include shorter waiting times, hospital choice, own doctor of choice, ancillary benefits such as physiotherapy, dental, chiro, peace of mind, a private room in hospital, health cover while overseas and avoiding increased tax.

• The **disadvantages** are waiting periods when you first sign up and the high cost of insurance. Payments are still required for services and there are penalties of not having health insurance by certain cut-off points.