Post-election policy pointers

Consumers and copayments: implications for health and Medicare

A consumer perspective on why Australia should avoid introducing Medicare copayments to see a general practitioner

Speculation that the federal government is to introduce a general practitioner copayment into Medicare arrangements persists. Whatever the basis of such speculation, the spate of commentary and media reports feeds a sense that the time for change in Medicare is upon us: a recognition that the status quo is under strain for political, economic and health system reasons.

The suggestions for reaping payments from patients include a widely applied $6 copayment, a means-tested copayment that would vary depending on the patient's concession eligibility, and a 15% cut to Medicare rebates for general practice patients in inner metropolitan areas. Such proposals heighten the tensions facing the government in its hunt to reduce spending without hurting patients or, God forbid, voters.

In an important sense, this is a welcome development. The debate about a sustainable health system is one that failed to flower during the last health reform foray. Now, at least, the community is being encouraged to consider the personal implications of rising health care costs.

The Consumers Health Forum (CHF) this year commissioned health costs researcher Jennifer Doggett to examine copayments. Her report found, among other things, strong evidence that copayments result in decreased access to health care, with no evidence for overall cost savings.[1] Similarly, a study into the 2005 increase in Pharmaceutical Benefits Scheme copayments found a significant decrease in dispensing volumes, particularly for concession patients.[2]

Failure to get timely care from a GP can prove expensive for both patient and taxpayer. The Productivity Commission found that 600 000 to 750 000 public hospital admissions a year could be avoided by effective community care in the 3 weeks before hospitalisation[3] — an intervention that could typically reduce initial costs by more than $4000 per patient.

Doggett cites reports by institutions including the Australian Institute of Health and Welfare and the Commonwealth Fund in the United States, which show the high and rising rate of copayments individuals already make to their health care in Australia.[4,5] In 2008, individuals in Australia with chronic conditions paid out more in copayments (as a percentage of total health care costs) than in any country except the US.

A crunch point in the copayments debate is the question of a means test: why should not those who can afford it pay the relatively modest cost of a GP consultation, thus saving the health dollar for worthier causes (ie, fee-free care for those on low incomes)?

As Health Minister, Tony Abbott devoted a great deal of public money to turn around the decline in bulk-billed GP consultations in the early 2000s. The absence of a patient bill in 80% of GP consultations reflects a community consensus that, where possible, seeing a GP should not have a cost barrier. As the data above indicate, minimising barriers to seeing a GP makes sense from the point of view of health care and overall cost.

The CHF opposes a GP charge, means-tested or otherwise. Introducing a means-tested approach would insert another administrative impediment for patients, doctors and the bureaucracy. More fundamentally, it would further erode the notion of universal health care in Australia at the pivotal point of primary care. Already many people, particularly low-income individuals and families afflicted with chronic disease, struggle to meet the out-of-pocket costs for medical, pharmaceutical and allied health services.

In the past year, the CHF has drawn attention to the difficulties many Australians face in accessing and paying for medical care required beyond the bulk-billing GP. An online survey CHF has been conducting this year is indicative. It shows that 60% of 472 respondents to date said they delayed seeing the doctor because of cost.[6] It is such people for whom health copayments become a crucial issue.

A new impost on primary health care would raise a hurdle before the very area Medicare needs to nurture if Australia is to meet contemporary health realities, including the swelling prevalence of lifestyle-induced disease. Doggett suggests that before the government introduces any new copayment into an "already inefficient and inequitable system", it should look to reforms that make Medicare more effective, such as making preventive care more accessible.[1]

A government-ordained out-of-pocket charge would signal a further lurch towards a two-tiered regime that provides world's best specialist and hospital care to those with the means, while those without may wait in pain or die. Would any Australian leader challenge the principle that the central purpose of the national health system is to ensure access to quality health care for all, and particularly for those most in need?

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1 Doggett J. Empty pockets: why co-payments are not the solution. Canberra: Consumers Health Forum of Australia, 2014. https://www.chf.org.au/pdfs/chf/Empty-Pockets_Why-copayments-are-not-the-solution_Final-OOP-report.pdf (accessed Mar 2014).

2 Hynd A, Roughead EE, Preen DB, et al. The impact of co-payment increases on dispensings of government-subsidised medicines in Australia. *Pharmacoepidemiol Drug Saf* 2008; 17: 1091-1099. doi: 10.1002/pds.1670.

3 Steering Committee for the Review of Government Service Provision. Report on government services 2013. Canberra: Productivity Commission, 2013. http://www.pc.gov.au/__data/assets/pdf_file/0006/121785/government-services-2013-volume2.pdf (accessed Apr 2014).

4 Australian Institute of Health and Welfare. Australian hospital statistics 2011–12. Canberra: AIHW, 2013. (AIHW Cat. No. HSE 134.) https://www.aihw.gov.au/publication-detail/?id=60129543133 (accessed Mar 2014).

5 Squires D. Multinational comparisons of health systems data, 2013. New York: The Commonwealth Fund, 2014. http://www.commonwealthfund.org/Publications/Chartbooks/2014/Multinational-Comparisons.aspx (accessed Mar 2014).

6 Consumers Health Forum of Australia. Our health, our community. Empty pockets: why health co-payments are not the solution that Australia needs. Canberra: CHF, 2014. https://ourhealth.org.au/news-stories/news/empty-pockets-why-health-co-payments-are-not-solution-australia-needs (accessed Mar 2014). ❑