Abbott Government to deliver a healthier Medicare

The Abbott Government will work hand-in-hand with health professionals and patients to deliver a healthier Medicare to ensure Australians continue receiving the high-quality and appropriate care they need as efficiently as possible.

Minister for Health Sussan Ley said overwhelming feedback received during her wide-ranging consultations was Medicare’s structure no longer efficiently supported patients and practitioners to manage chronic conditions or the complex interactions between primary and acute care.

Ms Ley said any reform would need to have a core focus on delivering better patient outcomes, with the Government to engage doctors, patients and other health professionals to lead the broad reform process to ensure that occurs.

“It’s important to acknowledge the enthusiasm of health professionals and patients towards this opportunity to work with the Government to deliver constructive Medicare reform,” Ms Ley said.

“It’s essential for the long-term health of Medicare – and our nation – that Australians have access to a healthier Medicare and that’s what we’re determined to deliver.

“Therefore, based on the feedback I have received from clinicians, health professionals and patients, I am announcing three priority areas for further consideration:”

1. The Government is establishing a Medicare Benefits Schedule (MBS) Review Taskforce led by Professor Bruce Robinson, Dean of the Sydney Medical School, University of Sydney. Currently, the MBS has more than 5,500 services listed, not all of which reflect contemporary best clinical practice. The MBS Review Taskforce will consider how services can be aligned with contemporary clinical evidence and improve health outcomes for patients.

2. The Government is establishing a Primary Health Care Advisory Group led by former Australian Medical Association President, Dr Steve Hambleton. The Advisory Group will investigate options to provide: better care for people with
complex and chronic illness; innovative care and funding models; better recognition and treatment of mental health conditions; and greater connection between primary health care and hospital care.

3. The Government will also work with clinical leaders, medical organisations and patient representatives to develop clearer Medicare compliance rules and benchmarks. The vast majority of medical practitioners provide quality health care, but a small number do not do the right thing in their use of Medicare. Their activities have a significant impact on Medicare and may adversely affect the quality of care for patients.

Ms Ley said each reform area would draw on a broad range of expertise and experiences to inform the process, including: Clinicians (GPs and Specialists); Consumer and Patient Representatives; Academics; Primary Health Networks; Nurses; Allied Health Professionals; Health Economists; and States and Territories.

Ms Ley said the Government’s proposed reforms would be an ongoing process, with each taskforce expected to report back with key priority areas for action in late 2015.

“This is a real opportunity to build a healthier Medicare and I want to make sure that health professionals and patients continue to be central to the process,” Ms Ley said.

“Labor’s policy of doing nothing is not an option.”

Over 350 million Medicare services worth about $20 billion were paid out by the Government last year. That equates to an average of 15 services per person worth an average total of $800 each.

“The Intergenerational Report predicts Medicare will be the fastest growing element of government health spending in coming decades, so we need to make sure each dollar delivers the best health outcomes for patients possible,” Ms Ley said.

Commonwealth expenditure on Medicare has more than doubled from about $8 billion to about $20 billion over the past decade.

Ms Ley said the pause on indexation of GP and specialist Medicare rebates would remain while the Government worked with health professionals and patients to reform the system and identify waste and inefficiencies.

“As an article of good faith, I am open to a future review of the current indexation pause as work progresses to identify waste and inefficiencies in the system,” Ms Ley said.

Ms Ley said the focus on delivering a more efficient Medicare system also meant no overall savings target had been attached to the consultation process.

“Doctors and patients alike have raised various issues from over-testing and outdated or unproven treatments to unnecessary referrals, duplication, inefficiencies and systemic waste,” Ms Ley said.
“Basically, there’s wide agreement the Medicare system in its current form is sluggish, bloated and at high risk of long-term chronic problems and continuing to patch it up with bandaids won’t fix it.

“Not imposing a savings target allows us to work with doctors and patients to deliver high-quality health policies that focus on delivering the best health outcomes for every dollar spent by taxpayers.”

Ms Ley said the Government’s consultations did not include a co-payment policy – or proposal to examine one.

Ms Ley said the Government was committed to protecting the cost-effectiveness and sustainability of its investment in Medicare to ensure universal access remained for all Australians long-term.

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