CHAPTER 7
The Australian healthcare system
RESPONSIBILITIES WITHIN THE AUSTRALIAN HEALTHCARE SYSTEM

- What is ‘healthcare’?
- All the health service providers
- Includes doctors, nurses, specialists, hospitals, clinics, research centres, private health insurance and lots more.
- Some of these services are provided publically (government) and some are provided privately.
- What do you think the main focus of the private and public health care systems would be, respectively?
WHO DOES WHAT?

- There are three levels of government in Australia. What are they?
  - Local, State, Federal
- Each of these has a different focus in health care provision, and different programs and goals that they are responsible for.
LOCAL GOVERNMENT

- Local and municipal governments are responsible for providing a safe environment for its community.
- These could include;
  - Public health programs like immunisation
  - Community activity centres
  - Garbage collection and disposal
  - Maintaining roads
  - Health inspections in restaurants
- Which of the 4 determinants do these all address?
- Physical Environment
- Which model of Health is this Employing?
- Social
STATE GOVERNMENT

- Provides guidance to local government and provide health services.
  - Funding public hospitals
  - Funding early detection schemes
  - Provision of education schemes
  - Controlling pollution
  - Research into public health issues
FEDERAL GOVERNMENT

- Responsible for health care that has an impact on all Australians
  - Medicare
  - Pharmaceutical benefit scheme
  - Regulates private health insurance
  - International health care – AusAid
  - Quarantine
  - Legislation
  - Research
LEVELS OF GOVERNMENT PHOTO TASK

- For each of the following photos, answer the following questions
  - How can this service improve health outcomes for you or your family?
  - Who is responsible for providing this service?
LATROBE REGIONAL HOSPITAL
SANITATION
Customs
SAFE ROADS
MEDICARE
Paying for drugs
VICTORY PARK
TRARALGON POOL
**Health Services**

- In 2007–08, just over 2% of total health expenditure was for preventive services or health promotion.
- Between 1998–99 and 2008–09, there was an increase in general practitioners’ management of some chronic diseases, including hypertension, diabetes and depression.
- Ambulances attended 2.9 million incidents in 2008–09, of which 39% were emergencies.
- The number of hospital admissions rose by 37% in the decade to 2007–08.
- Over half of the hospital admissions (56%) in 2007–08 were same-day admissions, compared with 48% in 1998–99.
- In 2008–09, about 1 in 9 of all prescriptions under the Pharmaceutical Benefits Scheme and Repatriation Pharmaceutical Benefits Scheme were for a mental health-related medication.
Health expenditure during 2007–08 was $103.6 billion, exceeding $100 billion for the first time.

Health expenditure in 2007–08 equalled 9.1% of gross domestic product (GDP).

As a share of its GDP, Australia spent more than the United Kingdom in 2007–08 (8.4%), a similar amount to the OECD median (8.9%) and much less than the United States (16%).

Governments funded almost 70% of health expenditure in 2007–08.

For Indigenous Australians in 2006–07, spending per person on health and high-level residential aged care was 25% higher than for other Australians.
VALUES OF THE AUSTRALIAN HEALTHCARE SYSTEM

- In designing and implementing the health care systems we currently have in place, there are a number of values that each level of government attempts to uphold.

- Health care in Australia needs to be:
  - Effective
  - Appropriate
  - Efficient
  - Responsive
  - Accessible
  - Safe
  - Continuous
  - Capable
  - Sustainable
VALUES OF HEALTHCARE QUESTIONS

- Look at Figure 7.8 on p200.
- What are they three services that have the most amount of money spent on them each year?
  (this graph will be on your SAC and you will have to do a very similar task)
- Choose one of these 3 services.
- Use the information on p201 to identify whether or not you think this service meets each of the values or not. Explain why it does/does not.
  (you will not need to do this for every single value on your SAC, so make sure you know and can discuss a couple really well)
Public hospital services includes:

- Dental services
- Other health practitioners
- Community and public health
- Medications
- Aids and appliances
- Other health

(a) Public hospital services excludes dental services, community health services, patient transport services, public health and health research undertaken by the hospital. Can include services provided off the hospital site such as hospital-in-the-home dialysis or other services.

(b) Other health comprises patient transport services, administration and research.
EXAMPLE

- Public Hospitals
  - Public hospitals are effective because they provide treatments that effectively deal with diseases
  - Public Hospitals are safe because staff have a high level of training that they are expected to meet before they can be employed.
What is medicare?

Medicare was first introduced in 1984. The idea was to have a system that allowed all Australians to have access to healthcare, regardless of age, sex, income or location.

There are three main objectives of Medicare.

- To make healthcare more affordable for all Australians.
- To give all Australians access to healthcare services with priority according to clinical need.
- To provide a high quality of care.
HOW DOES MEDICARE ACHIEVE THESE GOALS?

- Enables all Australians to have access to health care.
- Allows for free/subsidised treatment
- High income earners subsidise low incomes, so that all can afford (medicare levy).
- Allows you to choose doctors and hospitals
- Prioritises care in order of importance – your not going to have to get sore knee looked at while your having a heart attack
- Makes sure no-one has to pay excessively high medical costs with the safety net.
How does it work?
(out of hospital)
HOW DOES IT WORK?
(IN HOSPITAL)
HOW DOES IT WORK?

- Medicare covers any services considered to be essential.
- Some services are paid for in full, and others partially.
- This is done by the federal government by setting a schedule fee. If a practitioner charges this amount, the service is free for the patient. If the practitioner elects to charge more than the schedule fee, then there will be an out of pocket expense for the patient, meaning they will have to pay the difference between the money that the government provides and the amount that the practitioner receives.
**Bulk Billing.** When a practitioner decides to charge the schedule fee for services, they can sometimes elect to bulk bill. This means that they send a bill to medicare who pay them a lump sum for all the services they have provided. Because of this, you don’t have to pay any money.

Sometimes though, the practitioner will bill you. In this case, you need to pay up front, then to go medicare to get your rebate.
WHAT IS COVERED

- Any time you are referred to a hospital by a doctor, or in an emergency vehicle, you do not have to pay. This covers treatment, food, accommodation and medication while in hospital.

- Any time you return to the hospital for the same problem, you still do not have to pay.

- You do not get to choose the hospital you go to or the doctor who treats you.

- You can elect to be a private patient. In this case, you can choose your hospital and doctor. Medicare will pay for 75% of the costs. The balance will provided either by you or your private health insurer.

- Treatments that are considered ‘extras’ are not covered by medicare.
Medicare Benefits Schedule - Note A5

Search Results for Note A5

View Related Items

Category 1 - PROFESSIONAL ATTENDANCES

A5

Attendances by General Practitioners (Items 3 to 51, 193, 195, 197, 199, 597, 599, 2497-2539 and 5000-5067)

Items 3 to 51 and 193, 195, 197, 199, 597, 599, 2497-2539 and 5000-5067 relate specifically to attendances rendered by medical practitioners who are either:

- holders of the Fellowship of the Royal Australian College of General Practitioners (FRACGP) who participate in, and meet the requirements of the RACGP for continuing medical education and quality assurance as defined in the RACGP Quality Assurance and Continuing Medical Education program; or
- holders of the Fellowship of the Australian College of Rural and Remote Medicine (FACRM) who participate in, and meet the requirements of the Australian College of Rural and Remote Medicine (ACRMR) for continuing medical education and quality assurance as defined in ACRRM’s Professional Development Program;
- undertaking an approved placement in general practice as part of a training program for general practice leading to the award of the FRACGP or training recognised by the RACGP as being of an equivalent standard; or
- undertaking an approved placement in general practice as part of a training program for general practice leading to the award of the FACRMR or training recognised by the RACGP as being of an equivalent standard.

Professional attendance of more than 5 minutes duration but not more than 20 minutes duration

**SURGERY CONSULTATION** (Professional attendance at consulting rooms)

Fee: $41.15 Benefit: 75% = $30.90 85% = $35.00
(See para A5, A53 of explanatory notes to this Category)

Professional attendance of more than 20 minutes duration but not more than 40 minutes duration

**SURGERY CONSULTATION** (Professional attendance at consulting rooms)

Fee: $78.05 Benefit: 75% = $58.55 85% = $66.35
(See para A5, A53 of explanatory notes to this Category)

Professional attendance of more than 40 minutes duration

**SURGERY CONSULTATION** (Professional attendance at consulting rooms)

Fee: $114.95 Benefit: 75% = $86.25 85% = $97.75
MEDICARE LEVY

- Medicare levy was originally designed to assist low income earners. Everyone was charged a 1.5% medicare levy on their tax. To help fund medicare, which of course meant that higher income earners payed more for medicare.
- This levy was altered so that people who earned over a certain amount had to pay an extra 1% on their tax if they didn’t have private health.
- This encourages people who can afford private health insurance to buy it, reducing the strain on the public system.
- While 1% doesn’t seem like much, it adds up if you earn a lot of money, so sometimes it would actually work out cheaper just to buy the insurance.
Medicare Levy
**SAFETY NET**

- The safety net is designed to stop anyone from having to pay high medical costs.
- There are some out of hospital services (blood tests, x-rays, ultrasounds) that Medicare will cover to 85% of the schedule fee, meaning that you need to cover the remaining 15%. This is known as a *gap payment*.
- Once your family pays $383.90 of gap payments in one year, Medicare will then cover 100% of the schedule fee, instead of 85%.
- Under the *extended safety net*, if your family pays a high amount of out of pocket expenses ($1111.60), Medicare will pay 80% of the rest of your out of pocket expenses for the year.
FACTS AND FIGURES

- In the 2008-09 financial year, Medicare Australia:
- had more than 21.7 million customers
- paid more than $14.3 billion in Medicare benefits
- processed more than 181.7 million Pharmaceutical Benefits Scheme (PBS) services
- paid more than $7.2 billion in PBS benefits
- had more than 4.6 million valid immunisation episodes recorded on the Australian Childhood Immunisation Register
- paid more than $9.1 million to immunisation providers
- had more than 1,286,342 consent registrations on the Australian Organ Donor Register
- recovered more than $33.2 million in benefits through the Compensation Recovery Program
- distributed more than 789,697 National Bowel Cancer Screening Register kits
- paid more than $3.6 million in External Breast Prostheses Reimbursement Program benefits
- employed more than 6,000 staff
- had 239 Medicare offices and 930 Medicare Australia Access Points located across Australia.
PHARMACEUTICAL BENEFIT SCHEME (PBS)

- Subsidises the cost of medications.
- The safety, cost and effectiveness of each drug are weighed up before including it on the PBS.
- There is a list of medications that are covered by PBS. If your drug is on it, you only pay some.
- How much you pay depends on how much you earn.
- Most people pay $32.90 for a prescription for medication that is on the PBS.
- Concession card holders pay $5.30.
- There is also a PBS safety net. If your family pays $1264.90 on medications in one year, your prescription goes down to $5.30.
PHARMACEUTICAL BENEFIT SCHEME (PBS)
**Revision Questions**

1. Write down the definitions for the following words:

- **Schedule fee**
  a fee for service set by the Australian Government.

- **Bulk-billing**
  If a practitioner chooses to bulk-bill, the patient 'assigns' their right to Medicare benefits to the practitioner, as full payment for the medical service received.

- **Safety net**

- **Gap payment**
  the difference between the Medicare benefit and the schedule fee.

- **Out-of-pocket costs.**
  the difference between the Medicare benefit and what your doctor charges you.
PRIVATE HEALTH INSURANCE

- Provides individuals with additional health care services than those provided by medicare.
- Services that are considered non essential.
- Usually includes two parts – hospital and non hospital.
- You can choose to pay for hospital cover, extras cover, or comprehensive.
ADVANTAGES

- You can choose your doctor and hospital
- Shorter or no waiting lists. If in the public system, you can get pushed further down the list of someone more serious comes in.
- Elective procedures. If a surgery or treatment is not considered essential, medicare will not cover it. It may cost thousands of dollars, so you don’t get it done, and keep that problem for the rest of your life.
- You will access more preventative health services like dental, optometry etc
- The more people who have private health, the less the government needs to pay.
DISADVANTAGES

- Costs money – not everyone has that much money.
- You may pay a lot on premiums and never use them.
INITIATIVES

- Why do you think the government would want people to take out private health insurance?
- If your health fund pays, the government doesn’t have to!

- 30% rebate
- Lifetime health cover
- Medicare levy
30% REBATE

- Anyone who purchases private health insurance will get 30% of the premium payed back to them by the government.
- Anyone can get it, but seniors get a higher rebate.
- So, if you pay $250 for insurance, the government will give you $75 when you do your tax.
- Even if it costs the government a lot of money to do this, if it results in more people being able to support themselves independent of medicare, it will save the government and the country money.
LIFETIME HEALTH COVER

- Who do you think takes out private insurance – old or young people?

- The government is trying to get people to take out health insurance from a young age, not just when they have a family or get old. If you start early, you will probably keep doing it.

- If you take out private health insurance after you are 30, you are charged an additional 20% on your premium.

- So, if you take out your first private health policy when you are 40, it would cost you $300 instead of $250. You will need to keep paying this extra 20% for the rest of your life.

- If you take out insurance before you are 30, you are exempt.
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*bonus months effective - 01.12.09

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