KEY HEALTH ISSUES

FOR THE 2016 FEDERAL ELECTION

AMA

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FOREWORD

Putting Health First

Health policy will be at the core of the 2016 Federal Election.

The AMA is non-partisan. It is our role during election campaigns, as it is throughout the terms of governments, to highlight the issues we think will be of greatest benefit to the health system, the medical profession, the community, and patients.

As is customary, the AMA will focus on the respective health policy platforms presented by the major parties in the coming weeks.

The next Government must invest significantly in the health of the Australian people.

Investment in health is the best investment that governments can make.

We must protect and support the fundamentals of the health system.

The two major pillars of the system that mean most to the Australian people are quality primary health care services, led by general practice, and well-resourced public hospitals.

The AMA has advocated strongly and tirelessly on these issues for the term of the current Government.

General practice and public hospitals are the priority health issues for this election.

The AMA is calling on the major parties to lift the freeze on the Medicare Benefits Schedule (MBS) patient rebate. The freeze was extended until 2020 in the recent Budget. The freeze means that patients will pay more for their health care. It also affects the viability of medical practices.

We also need substantial new funding for public hospitals. The Government provided $2.9 billion in new funding in the Budget, but this is well short of what is needed for the long term.

We must build capacity in our public hospitals. Funding must be better targeted, patient-focused, and clinician led.

The AMA is also calling for leadership and effective policy from the major parties on Indigenous health, medical workforce and training, chronic disease management, and a range of important public health measures.

The AMA will release a separate Rural Health Plan, responding to the unique health needs of people in rural and regional Australia, later in the election campaign.

Elections are about choices. The type of health system we want is one of those crucial decisions.

In this document, the AMA offers wide-ranging policies that build on what works. We offer policies that come from the experience of doctors who are at the coalface of the system – the doctors who know how to make the system work best for patients.

The AMA urges all political parties to engage in a competitive and constructive health policy debate ahead of the election on 2 July.

Professor Brian Owler
Federal AMA President
May 2016

MEDICARE BENEFITS SCHEDULE INDEXATION FREEZE

The AMA calls on the Government to reverse its indexation freeze immediately.

The freeze on MBS indexation will create a two-tier health system, where those who can afford to pay for their medical treatment receive the best care and those who cannot are forced to delay their treatment or avoid it altogether, further exacerbating their condition, or worse.

This Government's decision is a regressive one that is hitting the most vulnerable in the community: the most ill – especially those with chronic illness who need regular access to medical services, the elderly and vulnerable patients in our community who already have lower levels of access to health services.

The previous Labor Government first froze indexation for nine months in 2013.

The Coalition Government's initial decision not to index the MBS for four years from 1 July 2014 until 1 July 2018 was extended by two more years to 2020 in the 2016-17 Budget, further increasing the gap between patients' Medicare rebates and medical fees.

There will be a compounding effect forever more, on top of the Government's estimated savings of $2.8 billion over the six years of the freeze.

This six year price halt, and its impact on the cost of private hospital treatment, is not well understood. Our already overstretched public hospitals will continue to burst at the seams, putting further strain on the public health system.

While patients' out-of-pocket costs continue to widen, the Medicare rebates become less relative to medical costs and are placed on the endangered list, at high risk of being lost forever.

> AMA POSITION

The AMA calls on the major parties to commit to:

> immediately reverse the indexation freeze upon taking office; and

> lift future indexation of patient rebates to levels that cover the true cost of providing high quality health services.

PUBLIC HOSPITALS

The 2016-17 Budget gave public hospitals an inadequate short-term $2.9 billion fix that will partly delay, but not prevent, the funding crisis created by the political process and political decisions.

The current level of funding will not meet the demand for services with an ageing population, and lead to emergency department and elective surgery waiting times reaching dangerous levels.

In the 2014-15 Budget, the Government unilaterally decided to restrict growth in its funding of public hospitals to indexation and population growth from 1 July 2017. Treasury estimated this involved reductions of $57 billion to 2014-15.

Following an outcry from States and Territories and consistent, strong advocacy by the AMA, on 1 April 2016 the Commonwealth presented a take-it-or-leave-it offer of an additional $2.9 billion over the three years 2017-18 to 2019-20. This is clearly inadequate and will not come close to meeting the demand for public hospital services.

We have been waiting almost two years to have the Commonwealth's unilateral cuts to public hospital funding reversed. Funding under the original National Health Reform Agreement would have delivered an estimated $7.9 billion in additional funding to June 2020, $5 billion more than the Commonwealth's 'offer'.

Now we have a further three years to wait for a long term solution to the need for sufficient and certain Commonwealth funding to provide essential public hospital services.

> AMA POSITION

The AMA calls on the major parties to commit to:

- provide certainty to Commonwealth funding for public hospitals with a long-term plan that provides sufficient funding for at least a decade;
- ensure public hospital funding is quarantined from opportunistic policy making in the short term political cycle; and
- at a minimum, include adequate provision for population growth and demographic change, and provision for annual indexation at a rate that is relevant and appropriate to the health goods and services costs incurred by hospitals.

REMOVAL OF PATHOLOGY AND DIAGNOSTIC IMAGING BULK BILLING INCENTIVES

The AMA opposes the removal of bulk billing incentives for pathology and diagnostic imaging services. These incentives currently support patient access to these essential services without any out-of-pocket costs.

This is short-sighted policy that will ultimately cost future governments and the Australian community much more in having to treat more complicated disease – disease that could have been identified or avoided through good access to pathology and diagnostic imaging services.

Diagnostic service providers will have no choice but to pass on costs to patients.

The Medicare rebates for diagnostic imaging services have not been indexed in a decade and for pathology services in more than two decades. And because of the way Medicare payments are regulated, patients will have to pay the whole cost of the service upfront.

We know people put off health care because of cost. When people delay or do not access diagnostic services at the prevention and management end of the health care continuum, it leads to more costly medical treatment in acute/hospital care, impacting directly on the Government's bottom line.

Timely health services actually save money.

If the bulk billing incentives are removed, it will be the most vulnerable in our community – those least able to pay and those already ill with complex or chronic diseases – who will feel the impact of this policy most.

> AMA POSITION

The AMA calls on the major parties to commit to:

> a genuine interest in health policy, not just fiscal policy; and

> maintain the current subsidies – the bulk billing incentives must not be removed.

MEDICAL WORKFORCE AND TRAINING

Successive Commonwealth governments have moved to significantly increase the number of medical school places in response to past workforce shortages.

Past increases to the number of medical school places represent only one step towards training sufficient numbers of doctors to meet health delivery requirements, with data from the former Health Workforce Australia (HWA) showing that Australia now has sufficient numbers of medical graduates.

HWA confirmed that we must now focus on better distributing the medical workforce, and providing enough postgraduate medical training places, particularly in rural areas and in under-supplied specialty areas.

> AMA POSITION

The AMA calls on the major parties to commit to:

> ensure that the medical workforce meets future community need by:

- requiring the National Medical Training and Advisory Network to complete workforce modelling across all medical specialties by the end of 2018;
- establishing a Community Residency Program to provide prevocational doctors with access to three month general practice placements, particularly in rural areas;
- increasing the GP training program intake to 1700 places a year by 2018; and
- further expanding the Specialist Training Program to provide 1400 places a year by 2018, with priority given to training places in rural settings, specialties that are under-supplied, and generalist roles.

TACKLING CHRONIC DISEASE

GPs are increasingly treating older patients with more complex needs. The management of chronic and complex disease is a key part of general practice, comprising more than a third of all problems managed. Ensuring patients can access high quality GP care can help keep them out of hospital and enjoy a better quality of life.

A stronger general practice is the key to better health outcomes for these patients. The Government has announced a Health Care Home trial for patients with chronic and complex disease, which aims to strengthen the linkage between patients, their usual general practice and a nominated general practitioner. While there is little available detail, the Government has promised that patients with higher levels of clinical need will get more funding support.

The AMA has supported the vision for a Health Care Home, but there is no indication that the trial will be adequately resourced or funded. Existing Medicare Chronic Disease funding will simply be redirected and GPs will be asked to deliver enhanced care for patients with no additional financial support.

This contrasts with successful initiatives like the Department of Veterans' Affairs (DVA) Coordinated Veterans Care (CVC) program that provides significant additional funding support to GPs to provide comprehensive planned and coordinated care to veterans who are at risk of unplanned hospitalisation - with the support of a practice nurse or community nurse.

> AMA POSITION

The AMA calls on the major parties to commit to:

> appropriate funding for the planned Health Care Homes trial; and

> use the DVA CVC program as the basis to calculate how much extra money is required. This is essential if we are to improve care for patients and ease pressure on the hospital system as a result.

INDIGENOUS HEALTH

The gap in health and life expectancy between Aboriginal and Torres Strait Islander people and other Australians is still considerable, despite the commitment to closing the gap.

The AMA sees progress being made, particularly in reducing early childhood mortality rates, and in addressing major risk factors for chronic disease, such as smoking. However, to close the gap in Indigenous health, Government must commit to improving resourcing for culturally appropriate primary health care for Aboriginal and Torres Strait Islander people, and the health workforce.

Despite the recent health gains, progress remains frustratingly slow and much more needs to be done. A life expectancy gap of around 10 years remains between Aboriginal and Torres Strait Islander people and other Australians, with recent data suggesting that Indigenous people experience stubbornly high levels of treatable and preventable conditions, high levels of chronic conditions at comparatively young ages, high levels of undetected and untreated chronic conditions, and higher rates of co-morbidity in chronic disease. This is completely unacceptable.

It is not credible that Australia, one of the world's wealthiest nations, cannot address health and social justice issues affecting just three per cent of its citizens. The Government must deliver effective, high quality, appropriate and affordable health care for Aboriginal and Torres Strait Islander people, and develop and implement tangible strategies to address social inequalities and determinants of health.

Without this, the health gap between Indigenous and non-Indigenous Australians will remain wide and intractable.

> AMA POSITION

The AMA calls on the major parties to commit to:

> correct the under-funding of Aboriginal and Torres Strait Islander health services;

> establish new and strengthen existing programs to address preventable health conditions that are known to have a significant impact on the health of Aboriginal and Torres Strait Islander people such as cardiovascular diseases (including rheumatic fever and rheumatic heart disease), diabetes, kidney disease, and blindness;

> increase investment in Aboriginal and Torres Strait Islander community controlled health organisations. Such investment must support services to build their capacity and be sustainable over the long term;

> develop systemic linkages between Aboriginal and Torres Strait Islander community controlled health organisations and mainstream health services to ensure high quality and culturally safe continuity of care;

- identify areas of poor health and inadequate services for Aboriginal and Torres Strait Islander people and direct funding according to need;
- institute funded national training programs to support more Aboriginal and Torres Strait Islander people to become health professionals to address the shortfall of Indigenous people in the health workforce;
- implement measures to increase Aboriginal and Torres Strait Islander people's access to primary health care and medical specialist services;
- adopt a justice reinvestment approach to health by funding services to divert Aboriginal and Torres Strait Islander people from prison, given the strong link between health and incarceration;
- appropriately resource the National Aboriginal and Torres Strait Islander Health Plan to ensure that actions are met within specified timeframes; and
- support for a Central Australia Academic Health Science Centre. Central Australia faces many unique and complex health issues that require specific research, training and clinical practice to properly manage and treat, and this type of collaborative medical and academic research, along with project delivery and working in remote communities, is desperately needed.

RURAL GP INFRASTRUCTURE GRANTS

In the 2014-15 Budget, the Government committed $52.5 million to provide funding for at least 175 rural general practice infrastructure grants of up to $300,000 each.

These grants were promised to assist general practices to expand their facilities with additional consultation rooms and space for teaching medical students and supervising GP registrars.

The roll out of these grants was plagued by delays and, unlike previous years, limited interest from practices.

This was the result of poor policy design and implementation as well as significant uncertainty over the future of Medicare funding for general practice services, including the Government's unfair freeze on patient rebates.

Previous rounds of infrastructure grant funding have a track record of delivering real results for rural communities, with local practices taking realistic steps to improve patient access to services as well as to support teaching activities.

The Australian National Audit Office has also shown that infrastructure funding grants are effective and a good value for money investment.

> AMA POSITION

The AMA calls on the major parties to commit to:

> address the problems that led to the poor take up of GP infrastructure grants in the last funding round;

> an increase of a further 425 grants in the next term of Government; and

> scrap the requirement for practices to match funding on a dollar for dollar basis.

PREVENTION

Investing in preventive health measures can reduce the rate of chronic ill-health and improve the health and well-being of all Australians.

Harmful use of alcohol, illicit drugs, poor food choices and overconsumption, combined with an obesity epidemic, sedentary behaviour and a lack of physical activity are contributing to Australia's high rates of cardiovascular conditions and poor health outcomes.

Governments have shown initiative in some areas of health prevention, especially in reducing smoking rates through higher tobacco taxes and plain packaging. However, successive governments have underinvested in evidence-based health prevention and early intervention.

This is despite the fact that spending upstream on effective prevention and early intervention measures results in significant downstream cost savings.

Investing in health prevention saves lives and helps medical practitioners better manage and treat chronic diseases.

Health prevention is an investment not only in the individual; there are social, economic and community savings by helping Australians to be healthier and make better health decisions.

The AMA is concerned that reduced investment in agencies dedicated to preventative health, and reduction in funding to programs such as the Flexible Funds, will contribute to the burden of health care that is often met by hospitals and more expensive health costs.

> AMA POSITION

The AMA calls on the major parties to commit to:

> fund prevention and early intervention as a sound and fiscally responsible investment in Australia's health system;

> increase investment to properly resource evidence-based approaches to preventive health; and

> deliver sustainable funding for non-government organisations (NGOs) that advocate, educate and provide services to those affected by chronic diseases and health problems, including alcohol and substance abuse, domestic violence, blood-borne viruses, aged care, mental health and public health awareness.

TOBACCO

Tobacco smoking is the largest single preventable cause of death and disease in Australia.

Smoking contributes to more deaths and hospitalisations than alcohol and illicit drug use combined. Smoking is a major risk factor for coronary heart disease, stroke, peripheral vascular disease, respiratory disease and cancer, accounting for 20 to 30 per cent of cancer cases.

Although smoking rates in Australia have declined over the past few decades, 16 per cent, or 2.8 million people in Australia, continue to smoke. Tobacco smoking is responsible for eight per cent of the burden of disease in Australia.

Each year, about 15,000 Australians die as a result of tobacco smoking, and research shows that in the longer term, two out of three smokers (about 1.8 million Australians) will die as a result of their smoking.

Increasing the price of cigarettes is known to be a strong deterrent for smokers. We know that every time the price of cigarettes increases, a number of current smokers attempt to, and do end up quitting, and non-smokers are prevented from taking up smoking.

The AMA notes that both the Liberal-National Coalition and Labor have committed to four annual 12.5 per cent increases in excise on tobacco, with the Government introducing the excise increase in the 2016-17 Budget. The AMA supports increased taxes on tobacco and welcomes the Budget announcement and bipartisan support of the measure. However it remains concerned about e-cigarettes.

The AMA supports a strong stance on e-cigarettes, and uniform laws for consumers as e-cigarettes are particularly appealing to young people, and related marketing capitalises on this. Allowing the promotion of e-cigarettes as recreational products to young people has the real potential to undermine tobacco control efforts, and normalise the act of smoking.

> AMA POSITION

The AMA calls on the major parties to commit to:

> ban the sale of e-cigarettes to anyone aged under 18 years;

> ban the marketing of e-cigarettes as smoking cessation aids, as there is currently no evidence to support this;

> apply the same marketing and advertising restrictions to e-cigarettes that apply to tobacco products;

> provide funding to support the various jurisdictions to pursue more smoke-free environments, recognising that nationally consistent legislation around smoke-free environments is in everyone's best interest. All Australians deserve an opportunity to dine, socialise and work in completely smoke-free situations;

> appropriate funding for doctors who take the time to support their patients through the process of smoking cessation. Such funding recognises that patients require tailored advice, and may require ongoing support to reinforce their decision to quit smoking; and

> continued funding for international litigation to fight efforts to undermine Australia's world leading tobacco control measures, including Plain Tobacco Packaging.

PHYSICAL ACTIVITY

Physical inactivity costs the health budget an estimated $1.5 billion each year and contributes to almost one-quarter of the cardiovascular burden of disease in Australia. Physical inactivity causes an estimated 14,000 deaths each year.

Australians who are not physically active increase their risk of heart disease, stroke, diabetes and some cancers. Not being active is a major contributor to the obesity epidemic, with more than half of all Australian adults overweight or obese.

Widespread and effective participation in physical activity across the population could lead to a reduction in the incidence of type 2 diabetes, hypertension, osteoarthritis, major fractures, bowel cancer, the incidence of heart disease, osteoporosis, low back pain, falls in the elderly, stroke, depression, and dementia.

There is an economic as well as health incentive for government here: increasing physical activity in Australia by just 10 per cent could lead to cost savings of over $250 million, and 37 per cent of those savings would be in the health sector.

> AMA POSITION

The AMA calls on the major parties to commit to:

> a National Physical Activity Strategy that clearly defines practical, prioritised and evaluated measures and national indicators of physical activity participation;

> bring together stakeholders and all tiers of government to help boost participation rates in physical activity, especially among those groups known to have low participation rates;

> work with State and Territory governments to provide structured opportunities for young people to be physically active;

> champion low and no-cost opportunities and providing information about easily accessible participation in physical activity; and

> make active transport measures a priority in all transport and infrastructure policies. Many countries have developed innovative ways to provide and promote active transport, and in turn reap the benefits. The Government should be examining these, and applying them to the Australian context.

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