

# Universal health care



The establishment of Medicare revolutionised health care in Australia, with a focus on providing universal access to the health care people need, when they need it. Four decades have passed and much has changed; in both the health conditions that people manage and in the way care can be delivered. Australian health policies must keep pace with change to deliver health system reform that builds on the strengths of the existing system and preserves the principles that Medicare was founded on- equity, efficiency, simplicity and universality.

## BACKGROUND

Universal healthcare (or universal health coverage) means that all people have access to the full range of quality health services they need, when and where they need them, without financial hardship.

Medicare is Australia's universal health care scheme and covers:

- Public hospitals
- Medical services via the Medical Benefits Scheme (MBS)
- Medicines via the Pharmaceutical Benefits Scheme (PBS).

Achieving and maintaining universal healthcare, however, can be difficult. With ageing populations, growing burdens of chronic disease and escalating health care costs, health systems in many countries are under pressure, and universality is being undermined.

Although Australians have had access to Medicare for 40 years, our system is not immune from these pressures. Bulk-billing rates for GPs are declining, out-of-pocket costs for health care are increasing, hospitals are experiencing bed-block and ramping, and there are long elective surgery waiting lists. All of these circumstances reflect barriers to universal health care.

For many people living in rural and remote Australia, gaining access to timely care, especially specialist care, can be difficult. And, in some specialty areas, waiting times for care in the public system can be very long: much longer than they are in the private sector, which raises concerns about equity within the healthcare system and balance between the public and private sectors.

The COVID-19 pandemic exposed and exacerbated inequities and inefficiencies in Australia's universal healthcare system. Yet, while the pandemic has driven many changes in the way care is delivered and provided opportunities for innovation, changes to the way in which health care is funded to ensure universal access to high quality, timely care remains an ongoing policy challenge

## AHHA POSITION

- After 40 years, reforms to Medicare are needed to ensure that patients continue to receive high-quality and timely access to care.

- However, reforms to Medicare need to build on existing policies and programs, rather than making wholesale changes to a system that is built on solid principles.
- Reforms should be informed by patient outcomes data, which will require ongoing investment in nationally consistent data governance framework and digital infrastructure.
- All Australians should have timely access to high-quality healthcare services regardless of their ability to pay.
- The introduction of broad-based co-payment schemes as price-signals are opposed.
- Australia's health insurance system, Medicare, should be preserved and remain compulsory for all citizens.
- Medicare should continue to be funded, in part, through the taxation system.
- Governments should give greater consideration to finding an equitable and fiscally sustainable way of operating Medicare alongside the private health insurance system.
- Governments should consider developing healthcare financing and payment methods that are better able to ensure patients receive seamless care between primary, hospital, disability and aged care.
- Reforms should focus on improving efficiency, including the identification and removal of low value healthcare items, rather than cost shifting to clinicians and consumers.
- Governments should not impose indexation freezes across the entire Medicare Benefits Schedule.
- Additional investment in preventive health is critical. Investment must be provided in addition to existing funding rather than by shifting funds away from health care in the immediate term.