

Health and Family Services

The Best of Health:

A Balanced Plan for A Stronger Australia

The Best of Health - The Coalition is committed to high quality health care for all, combining a universal health system, Medicare, with the freedom of choice provided by a strong private sector. We are committed to a strong medical research base. We believe that doctors and health professionals should be free to make clinical decisions without interference. And we will work with local communities to find solutions to their health needs.

The Best of Health: A Balanced Plan for a Stronger Australia

Table of Contents

Executive Summary [*](#)

Commitment to a Balanced Health System [*](#)

Funding Public Hospitals [*](#)

Strengthening Private Health Sector [*](#)

Rural and Regional Health [*](#)

General Practice – Partnerships in Practice [*](#)

Medical Research [*](#)

Healthy Futures [*](#)

New Initiatives [*](#)

Labor's Record [*](#)

Highlights of the Government's Achievements [*](#)

Commitment to a Balanced Health System [*](#)

Public Hospitals [*](#)

Strengthening Private Health Insurance [*](#)

Rural and Regional Health [*](#)

General Practice – Partnerships in Practice [*](#)

Strengthening Medical Research [*](#)

A Healthy Future [*](#)

A Balanced Plan for a Stronger Australia [*](#)

Quality and Safety in Our Hospitals [*](#)

Reforms to Improve Private Health Insurance [*](#)

Medical Research [*](#)

Asthma [*](#)

Tobacco [*](#)

Executive Summary

Commitment to a Balanced Health System

The Coalition is committed to maintaining Medicare in its entirety by:

- ensuring all Australians have access to free care in public hospitals;
- ensuring access to a general practitioner of choice;
- retaining bulk billing of medical services; and
- strengthening the Pharmaceutical Benefits Scheme.

Funding Public Hospitals

The Coalition will:

- provide \$31.3 billion over five years to the states and territories to maintain and strengthen their hospital systems between 1998 and 2003;
- this is \$7.2 billion more than Labor's last Medicare Agreement; and
- provide flexibility to ensure that out of hospital care is an option if clinically appropriate.

Strengthening Private Health Sector

The Coalition will:

- support choice and balance in our health system;
- give every Australian who takes out private health insurance a rebate

of 30 per cent of their premiums, at a cost of \$5.2 billion over four years;

- continue to work with the profession, hospitals and funds to reduce out of pocket costs;
- support 'up front' consent for health costs;
- support simplified billing; and
- protect the right and responsibilities of medical practitioners in making clinical decisions.

Rural and Regional Health

The Coalition will:

- develop thirty new Regional Health Service Centres, investing \$41.6 million over four years;
- introduce Rural General Practitioner Retention Grants, providing \$50 million over four years to help rural communities keep their doctors;
- deliver a new Medical School at the James Cook University based in Townsville and a Clinical School at Wagga; and
- make \$8 million available over four years to provide women in rural Australia with access to female general practice services.

General Practice – Partnerships in Practice

The Coalition will:

- convene a General Practice Partnership Advisory Council and a National Council for General Practice Training to assist communication between the Government and general practitioners;

- work with the profession to ensure that bulk billing is supported through adequate remuneration for general practice; and
- continue the innovative Coordinated Care Trials with general practitioners at the centre.

Medical Research

The Coalition will:

- restore funding to the National Health and Medical Research Council, to fill Labor's \$165 million funding shortfall; and
- create a full-time chair of the National Health and Medical Research Council.

Healthy Futures

The Coalition will:

- invest an additional \$4 million over four years to boost breast cancer research and treatment;
- build on the *Tough on Drugs* initiatives with a further \$10 million for treatment;
- encourage the development of information technology solutions in health; and
- continue successful health promotion campaigns such as cervical and breast cancer prevention, *Every Cigarette Is Doing You Damage* and *Immunise Australia*.

New Initiatives

The Coalition will:

- allocate \$20 million over four years to establish a National Institute of Clinical Studies;
- provide \$20 million for a one-off competitive capital funding round for research;
- make asthma the sixth National Health Priority Area, with an additional investment of \$8 million over three years;
- remove bureaucratic barriers that prevent improvement in private health insurance; and
- discontinue tobacco sponsorship of all sporting events.

Labor's Record

Labor did not understand health and couldn't make our health system work better.

Australia's health system depends on a balance between the public and private sectors.

Private health insurance provides choice and security for millions of Australian families, something Labor never understood.

During Labor's 13 years in Government:

- more people were forced to rely on the public hospital system;
- public hospital funding failed to keep pace with demand;
- health insurance membership fell from 64 per cent to less than 34 per cent;
- health insurance premiums rose by an average 12 per cent each year;
- there was no commitment to quality and safety in hospitals or community care;
- the rural health crisis was ignored;
- a confusing and bureaucratic general practice strategy, conceived by

Jenny Macklin, was forced on an unwilling medical profession;

- \$50 million per year was withdrawn from the budget of the National Health and Medical Research Council;
- childhood immunisation rates fell to third world standards – a shameful legacy; and
- the cost of Medicare and the Pharmaceutical Benefits Scheme was growing at an unsustainable rate.

Labor's poor management of the health system left it badly in need of repair.

Highlights of the Government's Achievements

Commitment to a Balanced Health System

Australia's health expenditure is more than \$40 billion per year. The Commonwealth spends more than \$18 billion on health, states and territories about \$9 billion, and private spending is about \$13 billion.

Commonwealth spending on health includes major items like Medicare rebates for visits to the doctor, the Pharmaceutical Benefits Scheme and funding for public hospitals administered by the states and territories. It also includes a number of smaller items like preventive health programs and medical research.

The Coalition will maintain these elements of our health system. In particular, the Coalition will:

- **maintain Medicare in its entirety for all Australians;**
- **continue to give all Australians access to free care in public hospitals;**
- **maintain the Pharmaceutical Benefits Scheme;**
- **ensure all Australians have access to their GP of choice;**
- **maintain our commitment to preventative health and medical research.**

The Coalition will maintain a strong private health sector. This includes private hospitals, community care through general practice and specialists, and private health insurance which offers choice and security.

Between 1984 and 1996 Medicare was eating up more and more of the tax dollar. The cost of the Medicare Benefits Schedule – which does not include money for hospitals - increased from \$2.3 billion to over \$6 billion. The cost of the Pharmaceutical Benefits Scheme was doubling every four years.

The Coalition Government has managed to contain this extraordinarily high rate of growth in the last two and a half years, using a simple system of evidence-based medicine – funding what is proven to work. This system of evidence-based medicine ensures that the taxpayer is only asked to fund what is proven to work.

Evidence-based medicine has allowed the Commonwealth to increase funding for strong preventative health campaigns such as cervical screening, and allowed us to increase the funding to state hospital systems from \$23.4 billion over the last five years to over \$31 billion over the next five.

This dependable management by the Federal Government in the last two and a half years stands in contrast to the uncontrolled growth of the previous thirteen years.

Public Hospitals

State and territory governments administer public hospitals, and share responsibility for funding with the Commonwealth.

Labor provided total funding of \$23.4 billion between 1993 and 1998.

Labor did not give the states extra payments to compensate them for the fall in private health insurance coverage engineered by Labor, which the states estimate that added \$622.5 million to their public hospital bills – with no help from the Labor Party.

In contrast the Coalition has invested an extra \$7.2 billion in public hospitals, an additional \$750 million for veterans' health care, and has guaranteed an additional \$83 million for the states for each percentage point decline in private health insurance each year.

The Coalition will invest a total of \$31.3 billion in state and territory

hospitals from 1998 to 2003.

Should Labor continue to ignore the need for a stronger private health system, this agreement will add millions of dollars to the Commonwealth's obligations to the states and territories. Labor's drop-in-the-bucket \$500 million trust fund, paid through higher taxes, will not be enough to meet the Commonwealth's commitments if Labor neglects the private health system.

This has not prevented Mr Beazley from 'guaranteeing' that every Australian who wants a public hospital bed will get one.

Labor's answer is to create yet another health bureaucracy to look at the problem.

Labor have made no commitment to quality, no commitment to best practice and no commitment to the structural reform necessary to best treat patients.

The Coalition's Australian Health Care Agreements signed with the states and territories provide greater flexibility. In many cases hospital-based care is not best practice, yet Labor's Medicare Agreements did not fund innovative out of hospital care.

Under the Coalition, hospitals will be given greater flexibility for community based care and step down facilities.

For example, at the Austin Hospital in Melbourne, there is a step down facility that allows patients recovering from heart surgery to live in an apartment block attached to the hospital. Patients live with their spouses, and health professionals regularly attend to their needs. Nursing care is available immediately in the case of emergencies.

This type of care is more effective and less costly. Patients are happier and get better care. Rehabilitation is quicker. It costs taxpayers less. And, in this case, waiting lists have dropped from 800 to zero in just six months.

The Coalition will work with states and territories to promote this type of innovative care.

Strengthening Private Health Insurance

The private health sector provides balance, choice and opportunity for millions of Australian families. The Coalition believes that this balance is important.

The private sector ensures the strength of the public hospitals. For every person in a private hospital bed, there is one less person on the waiting list for a public hospital bed.

Kim Beazley has said "I think we have to leave that problem to one side."

Labor left that problem to one side for thirteen years.

Labor's apathy about patient choice of health services resulted in a catastrophic decline in the numbers of people with private health insurance.

Under Labor, private health insurance coverage fell from 64 per cent to 34 per cent of the population, and private health insurance premiums increased by an average of 12 per cent each year.

The Coalition will make private health insurance more affordable for Australian families.

From 1 January 1999, the Coalition will provide a 30 per cent taxation or cash rebate on the cost of premiums to *all* health fund members.

For example, a family that pays private health insurance premiums totalling \$2,400 a year would receive \$720 back.

This new benefit is at least as generous as full tax deductibility for 80 per cent of taxpayers, who will face a marginal tax rate of 30 cents in the dollar or less.

It is estimated that the new rebate will cost \$5.2 billion over four years.

The Coalition has addressed the medical profession's concerns about private health insurance funds and US-style managed care – where the health fund dictates the care that patients receive. The Coalition does not want this type of care in Australia, and has enshrined in legislation the primacy of the doctor-patient relationship and giving protection against any moves by insurers to dictate to doctors who treat their patients within accepted clinical practice.

The Coalition has introduced and is encouraged by trials of simplified billing and informed financial consent for private patients. We are working with doctors, private hospitals and private health funds to provide a better service to patients.

The Coalition has also been working hard to reduce gaps between doctor's charges and rebates from Medicare and private funds.

We will introduce a new rebate for difficult births at \$950. This will help reduce high gaps in obstetrics care. Doctors have agreed not to put up their fees to absorb this increase.

There are now a number of hospitals, predominantly in South Australia and Victoria, where patients requiring surgery have the entire cost of the hospitalisation covered by their health funds, with no gaps – and receive only one bill. These hospitals have been working with the Coalition Government, doctors and funds to ensure that their patients receive a better service.

By creating a strong private health insurance system, the Coalition is providing balance and:

- strengthening Medicare
- improving the quality of health services
- ensuring patients have a choice of doctor and surgery on time
- reducing the burden on the public hospital system.

The fact is that Australians want to have the choice of private health care, and Labor is trying to deny them that choice.

Rural and Regional Health

The Coalition has worked hard to improve access to health services for millions of Australians who do not live in the capital cities.

We have worked with universities to increase the number of students from a rural background. A medical student who comes from the country, or one who gains positive rural experience as an undergraduate, is more likely to work as a rural doctor.

The establishment of the James Cook University Medical School at Townsville and the University of New South Wales Clinical School in Wagga is expected to increase the proportion of rural students studying medicine.

Last year, more than 17 per cent of new medical students came from rural areas. The Coalition will work hard to ensure that this percentage continues to increase.

The Coalition has improved opportunities for undergraduates to gain rural experience, with initiatives including the John Flynn Scholarships and the University Departments of Rural Health.

The Coalition has invested more than \$30 million to establish seven University Departments of Rural Health, in Whyalla, Geraldton, Alice Springs, Mount Isa, Broken Hill, Shepparton and Launceston.

The Coalition has injected another \$15 million into the GP Rural Incentives Programme, and reformed the administration. Instead of a bureaucrat in Canberra making a decision about a town they have never been to, independent state based rural workforce agencies now have the funding and the flexibility to run the programme.

The Howard/Fisher Government has invested heavily in rural locum relief, allied health projects, coordinated care trials, specialist training posts and other initiatives to attract and support rural health professionals.

We are having some success. In 1997 the number of rural general practitioners increased by four percent. The increase in remote areas was nine percent.

During the election campaign, the Coalition has already announced new initiatives that will result in additional health care benefits for Australians living in rural and regional areas. These include:

- \$50 million for a rural GP retention grants scheme, to help rural communities keep their doctors;
- \$41.6 million for 30 new Regional Health Service Centres, building on the 29 already established and a further thirty centres announced in the 1998 Budget. Up to 120 communities now will have access to better health and community services through these centres;
- \$8 million for fly in-fly out female GPs for rural areas;
- \$10 million capital funding for the James Cook University Medical School at Townsville; and
- \$13.2 million to establish a Clinical School of the University of New South Wales Medical School at Wagga.

General Practice – Partnerships in Practice

General practice is the cornerstone of Australia's health system.

Labor did not value general practice. Labor's general practice strategy, conceived by Jenny Macklin, was confusing, bureaucratic, wasteful and lacking in vision.

As few doctors or their patients were consulted prior to its implementation, few were able to access its benefits.

The gap in earnings and status between GPs and specialists increased dramatically under 13 years of Labor, creating poor morale amongst those dedicated to holistic family practice.

The Coalition has recently appointed the General Practice Partnership Advisory Council and the National Council of General Practice Training, to advise on issues such as quality, definition, organisation, information technology, and rural health.

The Coalition restored full indexation to general practice rebates in the 1998 Budget at a cost of \$127 million. With a reformed system of practice payments called the *Practice Incentives Programme*, this has strengthened bulk billing and improved financial security for general practitioners.

Bulk billing has increased under the Coalition. Bulk billing rates over the first term of the Howard Government averaged over 80 per cent, compared with less than 80 per cent in the last term of the Labor Government.

The Coalition will continue to work with the General Practice Financing Group, created to ensure that the GP organisations negotiate fair remuneration and conditions with Government, to support bulk billing.

The Coalition has addressed the issue of general practice training. The new training structures should ensure that new GPs are well trained, with a commitment to quality and the skills and experience to practise in any location, including rural Australia.

Chronically ill and elderly people often have complex care needs. The Coalition believes that their GP should be encouraged to coordinate their health care needs. With this in mind, the Government has established Coordinated Care Trials with GPs at their centre.

On the Eyre Peninsula in South Australia the *Health Plus* trial has shown a substantial decrease in hospital utilisation. In specific areas, such as wound care, there have been savings of up to \$1,200 per person by having a simple, effective, community-based approach.

Strengthening Medical Research

The Coalition has restored the base funding for the National Health and Medical Research Council, filling in a \$50 million per annum black hole left by Labor.

The Coalition allocated \$2.3 million a year to provide up to 20 new training and career awards to keep bright, young researchers working in Australia rather than overseas.

The Coalition commissioned a review of Australia's medical research needs which has received submissions from more than 200 research organisations and will report by the end of 1998.

One early finding of this review is the need for a full time chair of the National Health and Medical Research Council. This position will be filled from 1 January 1999.

In recognition of the need to provide capital funding for emerging research facilities the Coalition has funded the:

- TVW Institute for Child Health Research in Perth, \$11 million;
- The Baker Medical Research Institute in Victoria, \$4 million;
- The Westmead Medical Research Institute in Sydney, \$1 million; and
- The Macfarlane Burnett Medical Institute in Victoria, \$300,000.

A Healthy Future

The most effective investment in health is prevention. Preventative health and medical research are vital parts of the Coalition's health strategies for a stronger Australia.

There is no greater responsibility of Government than to protect the health of children. The World Health Organisation and the National Health and Medical Research Council have recommended immunisation as a safe, effective way to prevent deadly diseases from claiming the lives of children.

Under Labor, immunisation rates dropped to alarmingly low levels. The Australian Bureau of Statistics estimated that barely 53 per cent of children were fully immunised in 1996. This placed Australia 68th in the world, behind countries such as China, Algeria and Vietnam.

The Coalition is currently undertaking the biggest single public health initiative ever undertaken in this country, *Let's Work Together To Beat Measles*. 1¾ million children in more than 7,200 primary schools are being offered a free vaccination to protect them from measles over the second half of this year.

Immunisation rates are now at 78 per cent for children up to 18 months. Hundreds of thousands of primary school children have already had their measles vaccination. The Coalition will continue the fight against preventable diseases for a stronger Australia.

The Coalition will also continue the fight against drugs. We have now committed \$295 million to the Prime Minister's *Tough On Drugs* initiative, including more than \$100 million for health initiatives. This includes a new \$10 million commitment for innovative treatment programmes.

Most cases of cervical cancer now can be successfully treated, if caught early enough. Regular pap smears are the most effective way to reduce death through cervical cancer. The Coalition Government is reminding women to have regular pap smears through its television campaign, *Don't Make Excuses, Make An Appointment*.

The Coalition will support women with breast cancer with an additional \$4 million over four years for innovative services including specialised nursing care and assistance with the costs of travel for treatment.

Smoking is another health issue where the Coalition has been diligent. The successful campaign *Every Cigarette Is Doing You Damage*, with its graphic television advertising, has resulted in twice the number of calls to the Quitline in some areas. Several other countries have expressed interest in buying the campaign advertisements.

A Balanced Plan for a Stronger Australia

In its next term, the Coalition will build on the achievements of the last two and a half years with initiatives to:

- Strengthen the delivery of high quality care in Australia's hospitals;

- Strengthen patient choice by promoting a more efficient private health insurance industry;
- Strengthen Australia's health and medical research capacity;
- Strengthen Australia's standing in preventative health by phasing out tobacco sponsorship in sport; and
- Strengthen our commitment to childhood health by making asthma the sixth National Health Priority Area.

The Coalition understands that the problems of our health system need to be addressed in a systematic manner. Applying band-aids will not work.

A strong public system relies on a strong private system. The prevention of illness is vital. Good management is needed.

And most importantly, encouraging best practice will ensure that Australia's health system continues to be a world leader.

Quality and Safety in Our Hospitals

The Coalition will allocate \$20 million over four years to establish a National Institute of Clinical Studies. This council of leaders in the health industry will work Australia-wide to look at best practice in treating the illnesses that most commonly cause admission to hospital.

The Institute will work with the medical profession to ensure best practice is actually carried out, to provide world-class service in both the public and private hospital systems.

Issues such as criteria for admission to hospital, appropriate length of stay, hospital in the home and best practice in discharge planning are part of the work to be undertaken.

In the private sector the Institute will be able to work on simplified billing and informed financial consent, as well as the evidence basis for various procedures currently undertaken in the private sector which are not covered by Medicare.

Reforms to Improve Private Health Insurance

During the election campaign, the Minister for Health and Family Services, the Hon Dr Michael Wooldridge, announced a package of reforms to improve the efficiency and value of private health insurance, consistent with the Government's commitments regarding the Medicare principles and to retain community rating. These reforms will maximise the effectiveness of the new 30 per cent private health insurance premium rebate, described above.

The new reform package will enable health insurance funds to cover a broader range of medical treatments and pharmaceuticals and to offer loyalty bonuses to reward long-term members.

The package also establishes a consumer information service to offer advice on products and fund performance, it changes the prudential standards covering the industry so that insolvent funds will have to be put up to auction, and fosters a wholesale market for private health insurance membership.

The package will give funds greater ability to control their costs and lead to better consumer cover than simply services provided in a hospital bed. The changes will give funds more freedom in covering more innovative care, allow them to cover the entire episode of hospital care, and provide new powers in dealing with insolvent funds.

Medical Research

The Coalition will re-open a competitive capital grants round to provide further funding to Australia's health and medical research institutes at a one-off cost of \$20 million over two years.

This will allow Australia's world class medical research facilities to remain competitive for years to come.

Surplus funds from the increase in the Medicare Levy used to finance the guns buy back will be used to help fund this initiative.

Asthma

Hundreds of thousands of Australians, many of them children, suffer from asthma. Asthma kills dozens of children every year, and many more suffer distress and hospitalisations.

The Commonwealth has five National Health Priority Areas – cancer, cardiovascular disease, injury, diabetes and mental health. The

Coalition will make Asthma the sixth National Health Priority Area, with a new funding commitment of \$8 million over three years.

This new funding will fund education programs and innovative research projects.

Tobacco

The Coalition has been tough is tobacco sponsorship of sporting events. Each year the Coalition has cut back on cigarette advertising, reducing the number of events that attract tobacco sponsorship, such as the Formula One Grand Prix, and tightened the restrictions on advertising at those events.

The Coalition will phase out tobacco sponsorship for all sport in Australia by 2006. This will make Australia a world leader in ending the unhealthy association between smoking and sport.