A REPORT ON
CENTRAL VICTORIANS’ EXPERIENCES OF HEALTH CARE

FEDERAL MEMBER FOR BENDIGO
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Save Medicare

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1. Introduction

**Bendigo retiree**

*I am so grateful for Medicare. Without Medicare, the last 12 months would have been terrible. When you are going through sickness, you don’t want to have the extra stress of paying for health care upfront.*

**Former paramedic, Heathcote resident**

*People are concerned holistically about what is happening - the fragmenting of services, the outsourcing, the cost-sharing. It creates fear in people because of the uncertainty.*

The institution of Medicare is something Australians hold dear to their hearts. It is part of our social fabric – the fundamental belief that no matter how much you earn, you should always have access to the health care you need.

But our universal health care system in Australia is under attack. The Federal election battleground was drawn on health care. What was termed by the Liberal Government as a ‘Mediscare’ campaign was actually just Labor pointing out the truth – the Liberals are trying to privitatisate Medicare.

Since the Liberal Government formed in 2013, it has systematically proposed legislation which will weaken, outsource and move health care in Australia further towards a user-pay system including:

- Freezing the Medicare Rebate meaning GPs will have to charge more for visits
- Cutting billions of dollars from Australian hospitals, including $29 million over five years from Central Victorian hospitals
- Co-payments for GP visits, prescriptions, specialist visits and radiotherapy
- Cutting funding for important tests and scans such as X-Rays, Ultra Sounds, Pap Smears and Blood Tests
- Abolishing the Child Dental Benefits Scheme
- Cutting the Medicare Safety Net
- Outsourcing Medicare’s payment system

The Save Medicare forums were established to ascertain if health care is becoming unaffordable for people in Central Victoria; why the cost of health care is rising; the effects of Government under-funding of health care on the system and health care providers; and the effects of Government under-funding of health care on health care users.

**Castlemaine resident, breast cancer survivor**

*The Health Minister is out of touch with the needs of country people. He needs to go out and speak to people. We need more funding in regional areas.*
The perceived ‘city’ focus of policy makes regional and rural people feel like they are left out of the conversation when it comes to health care. This is why we embarked on a tour of the electorate, asking people what their experience of health care has been.

Hearings were held in Bendigo, Eaglehawk, Castlemaine, Woodend, Kyneton, Maldon, Heathcote and Elmore from September to November 2016. Almost 100 local health care users and professionals contributed – 60 people attended hearings, 25 provided a written submission and 63 responded to the survey.

This included representatives from primary health care centres, hospitals, community health care clinics, advocacy groups and community organisations; health care professionals like GPs, allied health care workers, nurses and mental health practitioners; and people of all ages and walks of life - parents, age pensioners, disability pensioners, self-funded retirees, carers and professionals (Appendix 1).

People at the hearing shared stories of the health care system working well – of supportive and dedicated GPs who went above and beyond to provide their patients with care, and of treatment delivered on time and at little cost to the patient.

However, there were also many stories of a fragmented system, of long waiting lists and exorbitant costs for those seeking care. We heard of people who are being priced out of health care, and of people ending up in emergency because they couldn’t afford to go to the GP when they initially got sick. And most shockingly, of the people who completed our Medicare Survey, 40 per cent said that they had delayed seeing a doctor because of the price.

This is not the health care system that anyone wants. What came through strongly and loudly most of all at all the hearings is that it is imperative to protect our health care system.

**WHAT WE FOUND OUT**

- In our Medicare survey, 87 per cent of people believed that cost of health care has gone up in the last 12 months.
- 40 per cent said they had delayed seeing a doctor because of price.
- 100 per cent of people said they believed the Government should protect Australia’s universal health care system.
- The average out of pocket cost for patients from a sample of 23 Bendigo GP clinics was $21.
- Out of the 23, only four bulk billed for non-concessions and 11 bulk billed for concessions.
2. Background

2.1 The Bendigo Electorate

The Bendigo electorate encompasses 6255 square kilometres in Central Victoria. The city of Bendigo (population 108,437) is the commercial, cultural and educational centre for central and northern Victoria. The electorate is also composed of small-to-medium towns like Castlemaine, Kyneton and Woodend, smaller towns like Maldon and Elmore, and agricultural and rural areas.

The electorate of Bendigo has pockets of deep, entrenched inequality. While some areas, particularly the east and south of Bendigo, and towns like Woodend, rank well on the ABS Socio-Economic Indexes for Areas (ABS 2011), there are also areas which are some of the most impoverished in Victoria. Long Gully and California Gully are in the top four per cent of most disadvantaged in the state. Eaglehawk, North Bendigo and Heathcote are in the top 10 per cent.

About 30 per cent of local households earn less than $600 a week, well below the poverty line (ABS 2011). There are tens of thousands of people in the Bendigo electorate who are on fixed incomes, unemployed, underemployed or part of a growing group, the “working poor” – people who are employed but their wage does not cover the basics. These are the people who are deeply affected by any changes to health policy and any attempts to increase the cost of health care.

2.2 What This Means for Health Outcomes

Health outcomes are generally poorer in rural and regional areas. The life expectancy is 2.5 years lower for males and 1.3 years lower for females (National Rural Health Alliance 2016). Several factors are in play here, including lack of access to services, higher rates of risk factors and the regional/remote environment. Health care professional shortages and lack of Government investment are also contributors. This is compacted by poorer health outcomes for people from lower socio-economic areas (ABS 2010). Factors include poorer housing standards, reduced access to medical services and lower educational attainment leading to restrictions in obtaining information on health services and health risk prevention.
3. **Key issues**

3.1 **IS HEALTH CARE BECOMING UNAFFORDABLE?**

3.1.1 **Cost of public health services**

**Bendigo mother of two, disability pensioner**

*A specialist costs me $300. In order to pay that, I need to save for four months beforehand. I haven’t been for over a year. The specialist called me and asked why he hadn’t seen me for a long time, and I simply said, “I couldn’t afford it”. There are a lot of people around like me who just can’t afford medical care.*

At every hearing around the electorate, people reported the rising cost of health care as a genuine concern and a barrier to health care. Out of pocket costs for GP visits were as large as $50, while some people were charged up to $150 gap fees for specialist appointments. Assessment, tests and medication were also cited as rising in cost over the last few years. Health care users and providers both reported that there was a decreasing amount of doctors around the electorate bulk billing, with many charging a gap fees based on the patients’ jobs, location and needs.

To test this, we called 23 clinics in Bendigo and only four places – two Tristar Medical Group centres and two Bendigo Community Health clinics – bulk billed for their appointments. Many places bulk billed for concessions, although some charged concessions as much as non-concessions. Non-concessions’ out of pocket costs were as high as $31, with an average of $21. This is compelling evidence that the days of universal, free health care are already over, even without the Liberal Government’s proposed $7 co-payment.

The cost of health care is compounded by the regional and rural nature of the electorate. Many cited the cost of travel, particularly due to the lack of public transport, as a significant, and sometimes overlooked, cost. Regional people also suffer from a lack of options for doctors and specialists, limiting the ability for people to ‘shop around’ for best prices. Doctors and specialists are over-run particularly in towns like Castlemaine, Woodend and Kyneton. One doctor said she was booked out for six weeks in advance.

**Castlemaine pensioner, two-time breast cancer survivor**

*I have Parkinsons. Every time I go to a specialist like a speech therapist, a podiatrist or a neurological nurse, it is $8.50 out of pocket. In the last month, that has totalled $200. It’s a well-kept secret that it is already a user –pay system.*

While the $7 GP co-payment was belittled by the Liberal Government as being little more than pocket change, many people said having the entire sum of money in their account on payment was a challenge. For people with chronic conditions who need regular medical
attention, any gap fees add up to a significant amount of money. The feeling among people in the electorate is that Medicare is not a universally free system anymore; rather it is increasingly in the model of the American user-pay system.

3.1.2 Cost of private health insurance

Elmore pensioner
I have had seven bypasses and it didn’t cost a cent. I had a friend who had the same thing in the hospital room across from me. It cost him $21,000 because he had private health insurance. He asked to be moved to be a public patient as there were better doctors and services in the public system.

Across the electorate, people are leaving private health insurance in droves. While both for-profit and not-for-profit funds are reporting booming profits and surpluses (Gannon 2016), people are feeling like they are receiving less and less back for treatments. The cost of private health insurance was reported as being as high as $3000 a year for one person. Many cited the only benefit from paying the insurance was the ability to skip waiting lists. Opinions on the quality of care provided in the private system compared to public was mixed. While some said you got more choices, others said that in regional areas you get the same surgeon or specialist and the same level of care whether you are a private or public patient.

This leads to the bigger question about whether Australia is getting value-for-money from the Government incentives paid to the private health industry. Australia is subsiding the cost of private health insurance to the tune of $10 billion over the next four years (Scott 2016) – yet from evidence provided at the hearings, it is questionable whether it is really taking pressure off the public health care system.

3.2 Why is the cost of health care rising?

3.2.1 Chronic underfunding

Health care professionals all attribute the rising cost of health care to one thing - a lack of Government funding. A community house, which plays an important role in providing prevention and intervention services in a regional town, said their funding hadn’t increased in 11 years. Another Bendigo mental health support centre said their funding hadn’t increased for five years, despite a significant increase in demand. Across the electorate, public health services are expected to do more with less funding. With the Liberal Government cutting billions of dollars from the health budget over the past three years, it’s no wonder that Bendigo’s frontline health care services are feeling the pinch.

3.2.2 The Medicare Rebate freeze
The Medicare Rebate freeze has seen the amount health care professionals receive from Medicare for services rendered stay the same until 2020. The Australian Medical Association have argued Medicare schedule fees have not kept up with “real” increases in costs to medical practitioners of delivering services (Australian Medical Association 2016). Evidence from the hearings is that many clinics in Central Victoria are under severe financial stress. As one health clinic manager said, “The cost of care is so over and above what Medicare provides, it becomes a business problem. Our GP service hasn’t broken even in a decade”.

Many clinics have no choice but to raise fees for appointments and we are seeing this across the electorate. The other alternative for clinics is to reduce appointment times, known in the industry as the “six minute medical model of care”. This means churning through patients in under six minutes in order to sustain a profitable business model. The “six-minute medical model” of health care is contrary to the sort of care desired by health care users, and which health professionals say provides the best opportunity for rehabilitation. However, as a clinic manager said, “if you spend the time you need to on your patients, you severely impact on your ability to sustain the operation”.

### 3.3 What are the effects of government under-funding of health on the health care system and providers?

#### 3.3.1 Long waiting lists

At our Elmore hearing, a woman said she had been waiting for 15 months to see a specialist to examine a horizontal tear in her knee. This has deeply affected her quality of life; however, she has no choice but to live with the injury. “I’ve just given up hope of getting treatment.” This sentiment was echoed around the electorate. Public dental care waiting lists were reported to be up to 18 months long. Often, people on waiting lists endured an injury or illness until it got so unbearable that they presented to emergency.

#### 3.3.2 A patchwork approach to health

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**Woodend pensioner**

A trusting relationship with a health professional is very important. In the current system, I am constantly telling my story to different people. The services are worried about funding and are always looking to cost shift to different departments, so you have to tell your story again and again. We are not treated like humans. I am not five parts of funding - I am a human.

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The need for a long-term therapeutic relationship with a medical professional was regularly bought up at the Medicare hearings. This is particularly important for people with a disability, or people with long-term chronic illnesses. A good GP can help you navigate the system by referring you onto other good specialists and finding cheaper treatments. Instead, some people said they felt like they had to struggle alone through a system where it
is hard to find out information. From the hearings, it was apparent that the current system is complicated for everybody – for patients and professionals alike. People don’t know what their rights are or what rebates they are eligible for. For health care workers, this means less time for patients and a lack of professional fulfilment. For patients, the lack of information increases anxiety and frustration in an already difficult time.

3.3.3 Lack of emphasis on preventative health

Across the electorate, health care users and professionals alike underlined the need for more money to be put into preventative health, particularly with the prevalence of illnesses like asthma, heart diseases, chronic obstructive pulmonary disease, chronic kidney disease and mental health. Health professionals claimed that investment in preventative health would take the stress off the tertiary system. One pensioner who attended the Eaglehawk hearing said that she regularly attended a strength training program until it recently increased in cost from $3 to $5 per session. According to the manager, the program was saving thousands of dollars, yet there was no Government investment in the program. “There needs to be some incentive for the individual to be proactive and look after their health. This will really reduce the burden down the track.” The feeling among professionals is that the system was so under-funded in the secondary and tertiary systems that little to no money was going into prevention, despite the huge potential financial benefits.

3.3.4 Lack of investment in allied health services

**Self-funded retiree, Kyneton**

*My physio wants to see me once a week. I only go once every two weeks because of the expense.*

The lack of Medicare rebates for allied health treatments for people with chronic or terminal medical conditions was regularly brought up at the hearings. A Medicare rebate is available for a maximum of five services per patient each calendar year. As most people said, five treatments for people with chronic illnesses does not go far. Many people said they had no choice but to ignore their doctor’s health care plan and not attend treatments because of the cost. Currently, the medical funding system is not suited to a multi-disciplinary approach, and therefore is not providing the holistic, patient-centred care needed by people with chronic illnesses.

3.3.5 The workforce

**Local doctor**

*Seventy per cent of GPs in rural areas are bankrupt at some point of time. The cost of running a private practice is going up and up but the Rebate has remained the same. I have put every bit of cash I have into trying to support a community. If I was sick tomorrow, I would be in financial trouble. We need to increase the Rebate.*
Burn out was cited by health care professionals as an effect of the under-funding of the health care system. For one community house, funding had not gone up in the past five years despite a substantial increase in demand, as had the expectation that it delivered other Government Department work like Centrelink. This was putting significant pressure on their already overworked staff. Many buildings were out of date and old, impacting on the quality of care they could provide and the wellbeing of staff.

This also impeded on the ability of health care providers to recruit workers to regional and rural areas. Two community houses said they had advertised for physiotherapists but received no applications because, while their work is vital, funding for them is very poor and working conditions can be less than desirable. One clinic in the south of the electorate said it paid for its allied health professionals out of the clinic’s profits because their philosophy was that care should be holistic. This suggests that it’s now up to the goodwill of GPs to absorb the cost of allied health workers because the funding is inadequate.

GPs who attended the hearing said that the Medicare Rebate freeze was having a significant impact on their working life. For many GPs, the Rebate freeze was causing severe financial stress and anxiety, while the pressure to undertake shorter appointment times led to lower job satisfaction due to perceived poorer health outcomes for patients.

### 3.4 What are the effects of Government under-funding on health care users?

#### 3.4.1 Rising health care costs are stopping people from accessing health care

*Disability services organisation CEO*

Medicare costs pose challenges for people with a disability, especially those on the DSP. A decreasing number of GPs are bulk billing, and when they do bulk bill, they often aren’t accessible. It stops people getting the care they need. For example, a client had gastro. He couldn’t afford to go to the doctor, so after five days he become severely dehydrated and ended up in hospital for two days. This is not an uncommon example.

An alarming 40 per cent of people who responded to our Medicare survey said they had delayed seeing a GP because of the cost of health care. Thirty-seven per cent delayed getting a prescription because of the price, while one in four delayed diagnostic testing. Anecdotal evidence from the forums showed that many people on fixed-incomes found dental care was not affordable and therefore neglected. To say this is a concern is an understatement. On the basis of this, there are thousands of people in our community who cannot get the health care they need because they simply cannot afford it.

The consequences of delaying health care are serious for the individual. Many at the hearings were on fixed incomes and said that any increase in health care fees make them face difficult financial or health decisions. They either make personal sacrifices, or bypass
their health needs. Many people who attended the hearings said that their inability to receive appropriate health treatments was impacting on their quality of life, or had led to further sickness or serious health complications.

3.4.2 Flow on effects for society

**Former paramedic, Heathcote resident**

*There are a lot of people in Heathcote who live on the borderline of poverty. If a health care appointment becomes too expensive, people won’t go. Even if they charge $5 to $10 for a clinic visit, they won’t go. They’ll think, “I’ll just ride it out”. This has consequences for our health system because then they end up in an acute bed in hospital.*

Moreover, there are serious flow on effects when people are unable to access the health care they need. People who cannot afford GP appointments often end up presenting to the emergency department of local hospitals, which puts relentless pressure on Central Victorian hospitals’ emergency departments. Reasons cited for unnecessary emergency presentations include the lack of after-hour options and home-care options in Central Victoria, and, of course, increased costs of GP and specialist visits. It means the people who are really in emergency situations might not be treated in a timely fashion.

Mental health care was also identified as an area where chronic under-funding was critically impacting on society. Mental health services, particularly in rural areas, were almost non-existent. For example, an early intervention mental health service said it hadn’t received an increase in funding over the past five years, and found that they were treating acute clients at the extreme end of mental health issues because there simply were no other accessible services. This meant that the people the service was designed to help were missing out. Mental health visits are restricted to ten a year - not enough to make progress for people with a mental health condition. This has significant detrimental effects in our communities, like substance abuse, domestic violence, anti-social behaviour and criminal activity.
4. Suggestions and solutions

People at the Medicare hearings had many ideas to improve the health system. These can be summarised into seven areas:

**Reverse recent health care policies:** Increasing the Medicare Rebate to GPs and restoring the funding cuts to primary health care.

**Preventative health:** Investing more in preventative health, including targeted prevention to disadvantaged areas who are disproportionally represented in poor health outcomes.

**Expanding services:** Addressing service shortages in regional and rural areas, including public dental health and mental health services. Looking at comprehensive health care plans to meet the complex needs of individuals, for example at-home care, psychiatrists, psychologists and allied health services.

**Policy:** Implementing policy to provide security to the Medicare Rebate and strengthening the laws surrounding Medicare. Overall, people would like to see a move to longer-term thinking when it comes to policy.

**Accessible, available information:** Ensuring face-to-face Medicare services remain open to people who aren’t online, as well as looking at ways to provide easily accessible information on the health care system and how to navigate it, for example, a guide to services.

**Solutions to funding shortages:** Increasing the Medicare levy; encouraging the Government to review private health insurance; and auditing other systems and programs so there is better accountability of expenditure. Another innovative idea was to look to employ more nurse practitioners to take pressure off GPs and move people through the system more efficiently.

**Keep health care affordable:** Supporting GPs that bulk bill; protecting the PBS; and looking at ways to reduce specialist costs. Providing transportation for low income earners and pensioners is also an important factor to ensuring people get the health care they need.
5. Conclusion

The Save Medicare forums were established to ascertain if health care is becoming unaffordable for people in Central Victoria; why the cost of health care is rising; the effects of Government under-funding of health care on the system and health care providers; and the effects of Government under-funding of health care on health care users.

We found that overall people had experienced an increase in the cost of health care over the past 12 months, both in the public and private systems. Particular areas of concern were specialist fees, allied health and GP visits. This was compounded by the rural and regional nature of the electorate, where public transport is scarce.

A chronic underfunding of health care services and Government policy like the Medicare Rebate freeze was having a substantial effect on the ability of providers to deliver services. The Medicare Rebate freeze was putting doctors’ surgeries on the brink of financial ruin, and most health care professionals reported that they were under staffed and under pressure. The effect of this on the workforce was significant, with burn out and stress cited by many health care professionals. There was pressure on health organisations to find ways to cut costs, often to the detriment of services.

The effects of under-resourcement of health care had been felt by patients across the electorate. Many people were experiencing long waits for operations and treatments. Long-term lack of funding had led to a patchwork approach to health which was difficult to navigate, with a lack of emphasis on consistency of care. There was also not sufficient resources put into preventative health, allied health, dental or mental health.

All of this was having a genuine impact on people’s health. The cost of health care was proving a tangible barrier to accessing health care by a good proportion of the community. Some people simply could not afford the health care they needed, and this was affecting their health and their quality of life. This also had significant flow-on effects for society as a whole.

It is clear from our findings that Central Victorians are passionate about Medicare and want to see the universal health care protected. Central Victorians want to see our health care system properly funded so that it can provide the health care that people need, when they need it.

The findings from the Save Medicare forums are alarming. If this is the case across other regional electorates, there are hundreds of thousands of people in Australia who cannot access health care. Urgent action is required by the Liberal Government to address the issues presented in this paper.
6. Bibliography


7. Appendices

7.1 Appendix 1 - Attendees

Members of Parliament
Lisa Chesters MP - Federal Member for Bendigo, Shadow Assistant Minister for Workplace Relations, Shadow Assistant Minister for Rural and Regional Australia
Catherine King MP – Federal Member for Ballarat, Shadow Minister for Health

Representatives of the following health organisations:
Community House organisations
Community health care clinics
Cancer support services
Disability support service

Hospitals
Primary health care centres
Women’s health organisation
Hospital board members

Workers from the following health occupations:
GP
Chronic Disease Management Nurse
Youth mental health practitioner
Former State Department of Health worker
Former Federal Department of Health worker

Podiatrist
Aged Care
Mental health practitioner
Former paramedic
Former nurse

People from the following backgrounds:
Age pensioner
Self-funded retiree
Carer

Disability pensioner
Parents
Professional

7.2 Appendix 2 – Terms of Reference

a. The impact of the rising costs on the ability to access health care.
b. The impact of rising costs on overall health outcomes.
c. The impact of more expensive medicines.
d. The impact of more expensive GP visits.
e. The impact of a co-payment for key health tests such as pap smears, blood tests and x-rays.
f. The impact of co-payments on the administration of health care practices.
g. The impact of more expensive health care on the priorities and direction of organisations.
h. Any other related matter.