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POLICY EXPERT WELCOMES HEALTH REFORM

The health initiatives announced in the Federal budget provide genuine reform, but also some re-badging of old and ineffective programs, a leading health policy expert based at The Australian National University says.

Robert Wells, director of the Australian Primary Health Care Research Institute and the Menzies Centre for Health Policy, said the headline winners were cancer and midwifery. "For cancer there is significant new infrastructure, more money for services and an innovative boost for cancer care in regional areas," Mr Wells said. "Access to midwifery through Medicare will be available for those who choose those services."

Mr Wells said the gems of genuine reform were the 'modernising Medicare' and 'sustainable safety net' measures. "These represent a significant restructuring of the Medicare benefits schedule and a challenge to some entrenched medical vested interests. The changes recognise that some procedures such as cataract surgery – once very time consuming and intensive – are now performed in minutes rather than hours and rebates have been adjusted accordingly."

Some of the outrageous rorts under the Medicare Safety Net had been addressed without destroying the scheme, Mr Wells argued. He said changes to the private health insurance subsidy were less draconian than had been mooted prior to the budget and achieved only modest savings of \$1.9 billion over four years.

"The measure will increase administrative costs and is unlikely to result in a mass dropping of insurance cover due to the ratcheting up of the tax penalty for those who drop out. This is a missed opportunity to link the private insurance arrangements into national health priorities, such as care for people with chronic conditions. If the Government is going to wear the opprobrium of a broken election commitment it may as well bite the bullet and make something of it."

Mr Wells said the much touted rural measures were disappointing. "They are mainly a consolidation and re-badging of a variety of workforce incentives brought in over the past decade - most of which have only been marginally effective."

He said despite the replacement of the outdated Rural, Remote and Metropolitan Area (RRMA) system with a new classification system, the Government was rearranging the deck chairs rather than dealing with the sinking ship of rural health services.

The Government's National Hospitals and Health Reform Commission has indicated the need for major structural reform to the Australian health system, particularly by improving the delivery of primary care. Mr Wells said the focus should shift from professional and provider interests to service improvement and innovation to cope better with the changing health and age profile of the community.

"While the Government is to be congratulated on a well crafted set of measures in these difficult economic times, this budget introduces new groups into the outdated fee-for-service approach and entrenches some of the disease silo funding arrangements."

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