

MEDICAL CONSUMERS ASSOCIATION Inc.

Reg. No. INC1171602

P.O. Box 230 Balgowlah NSW 2093
May 2020

Australian Senate Joint Select Committee on the COVID-19 Pandemic

covid.sen@aph.gov.au

The Medical Consumers Association was formed in 1976. We are writing regarding both Economic and Health issues and calling for an Australian Competition and Consumer Commission (ACCC) inquiry.

The pandemic has accelerated our long-standing concerns about threats to the Australian economy. Throughout 2019-20, well before COVID, we had presented these warnings to the Medical Benefits Review, Health Minister, Productivity Commission, Children's Human Rights Commission, and the ACCC. Such long-term concerns are easily buried and overlooked in a current crisis. We note that the government is under pressure from the media, consumer and provider groups to act on mental health issues likely to arise in the wake of the bushfires and pandemic.

Specifically, we warn that

- The provision of MBS consultations to those newly-affected by unemployment and consequences of the crisis will have the disastrous long-term effect of psychiatric labels and prescription drug histories working against these people ever regaining work.
- A permanent intergenerational underclass might be created from the pools of the millions of suddenly-unemployable who may find it expedient to claim psychiatric disability, further draining public funds and depriving the economy of taxpayers and helpers.
- The arbitrary support of the cartel supplying e-service MBS-funded treatments has devastated ineligible counsellors. Impoverished clients do not pay private fees. They accept psychiatric labels to save money. No amount of advertising will re-build a client base to resume a counselling practice, which would only reimburse back rent for empty offices.
- The mental health front line is unpaid volunteers, many of whom are building 'placement hours' for now-extinct counselling careers. If they are economically rational many will resign and the sector will be left with nothing but the cartel.

In January 2020 these were mere warnings and predictions we had made to the MBS Review, Productivity Commission and ACCC. Other organisations had made similar warnings. By March 2020 all had started to come true. Counsellors now unable to see clients in offices stay unemployed at home, burdened with rents for empty practice rooms. They will lose their referral networks to the medicalized cartel who have reaped hundreds of dollars an hour with e-services and built up goodwill and waiting lists.

Responding to the urgency of the COVID situation the government implemented measures to allow access to mental health e-services. Our concerns, shared by many others, expressed before COVID, had been about the proposed 'early intervention' and 'stepped care' approaches being entrenched despite a lot of authoritative warnings to the contrary.

This cartel had been set up by successive governments understandably cautious about opening the tax gates to thousands of people seeking generic counselling. The decision was to restrict subsidies to those with an assumed 'medical condition' of 'mental illness' to be seen for 'psychotherapy', which had been promoted to them as 'treatment' requiring specialised training. Psychiatry could claim many more sessions at even higher hourly rates because of monitoring the drugs. How could a fee-for-service business possibly be expected to compete with a fully-subsidized competitor with a license to offer drugs?

These decisions have now come back to haunt.

Many including MCA were concerned that this cartel structure would contribute to drug prescriptions and devastate general psychological and allied health practices and leave only a two-tier system of an unsubstantiated overpaid cartel (\$300+/hr) and unpaid (Lifeline etc) practitioners in the mental health sector.

MEDICAL CONSUMERS ASSOCIATION Inc.

The Australian Psychological Society had written in 2012 to the ACCC Report to Senate on Private Health Insurance in equally strong language *"Whether this is based upon a lack of awareness or actual discriminatory practice is not clear. What it does is to effectively limit other specialised and general psychologists from providing services to their clients when they are both appropriately trained and, in many cases, have extra training that makes their services more than appropriate. ... there is a danger that not only will patients be forced into a mental health model, which may not be appropriate, but that some of this information that has been collected under false pretences ..."*.

The virus has now pushed it over the edge. Face-to-face non-medical counsellors have closed doors. Those eligible for Medical Benefits (MBS) e-service or essential hospital work subsidy will flourish. When constraints are lifted the self-proclaimed elite will have the networks and waiting list subsidized customers while counsellors re-start with nothing but back rent bills. This is not a prediction. That is what had been warned in 2012 and earlier and is now happening.

Why this is a problem

What few consumers understand is that their 'free' MBS e-service comes at a very high price. Those who accept an MBS mental health treatment plan also gain a lifetime and inheritable 'family history' of 'mental disorder'. That is the MBS requirement. I have had to explain that to many a patient, to their surprise.

And what sort of supposed 'treatment' does one actually deliver by e-service? Research with conventional psychotherapies and drugs commonly shows they barely beat placebo at best. How much easier will it be to merely sign off a drug prescription as the supposed 'help', with lucrative follow-up check sessions paid for by the taxpayer.

There could well be an impact on first responders. Much of the real heavy lifting in the sector is as usual borne by the unpaid volunteers such as Lifeline, advertised as the front line on every government website. But many of them may exodus from their semi-volunteer thousands of hours of 'placements' if they realize their dream of a paid counselling career has ended. The cartel severely limits university places and controls registrations. That has been an ongoing concern of the ACCC

MCA has been calling for an ACCC inquiry into the cartel structure of the mental health sector. The current structure has nothing to do with either market forces or science.

But these supply-side micro-economic issues are not the main danger.

Imagine the millions newly-unemployed trying to return to work. If they have availed themselves of the e-treatments their CV may well end up with both a 'mental disorder' history and a possible new prescription drug dependency. Even before COVID, prescription drugs were reported as killing more Australians than illicit drugs. And chemist shops remain open as essential, whereas illicit pushers can no longer peddle at pubs and gigs. So drugs such as Prozac may attract new customers. We warned the Productivity Commission that there are already research papers testing Prozac on one year olds.

The assumption pushed to and adopted by governments seems to have been that anxiety and depression are illnesses, so like any other illness require medicine. The fallacy is presuming that once the 'medicine' has worked the recovered person will resume productive life. It assumes unemployment as effect, not cause.

Because society has uncritically, against evidence, widely accepted the notion that '1 in 2' undergo some sort of 'mental illness', they have given a green light for millions to seek psychiatric disability pensions.

Again, this is not a prediction.

Mental health services in Australia (MHA) reported before the virus that *"4.3 million people received mental health-related prescriptions in 2018-19"*. That is near the 1 in 5 figure commonly promoted. Over a million Australians are newly-unemployed. And each unemployed person affects a chain of others.

MEDICAL CONSUMERS ASSOCIATION Inc.

The sorts of new gig jobs that will first emerge may pay less than the disability pension. Only good will and work ethic would prevent someone doing the maths and reaching the logical conclusion that their anxiety and depression might now qualify them for a lifetime 'get out of work free card' and entitlement to legally take Prozac or amphetamines. Such persons are not fictional.

The blurring of 'mental disorder' boundaries would make it seem awkwardly hypocritical, arbitrary, and discriminatory to refuse such claims, painting the health sector into a corner. Even before COVID there were authoritative warnings that these trends alone would be enough to 'wreck the economy'. We have daily seen in the news increased calls to 'bypass red tape', speed up drug and quack treatment approvals, and seek and provide help for supposed mental health problems. The Medicare Review just approved, against scientific condemnation as "quackery", a franchised therapy, EMDR. Such pressured approval will remain and spill over to psychiatric drugs, their long-term profit centre. Consumers are lured or forced by default into labels, drugs and overpriced dangerous quackery, dragging the economy into this perfect storm. Dismissing such authoritative warnings as mere hyperbole or 'conspiracy theory' risks the same inaction that fuelled the current crisis. What we are talking about is not 'the war' but the profiteering and carpet-bagging that follows the war.

MCA has written many well-researched submissions to the MBS Review and Productivity Commission, some of which we attach. We have even duly reported the mental health sector to the ACCC as cartel behaviour. Several local MPs have taken up issues on our behalf. These go nowhere without the support of the government of the day.

Why a cartel investigation if the problem is mental illness?

We are not seeking yet another inquiry into 'mental illness' itself, or how to supposedly 'help'.

Ours is a classic consumer demand for an ACCC inquiry into a cartel: the mental health provider sector.

Premiers and Chief Ministers long ago recommended that *"The Registration of these professions should be removed unless there is overwhelming evidence for retention."*

The ACCC specifies cartels as *"immoral and illegal"* so calls for the public to report such. That is what we have done. The ACCC alone is *"our principal legislative weapon"* to reverse onus of proof back onto those conducting anti-competitive trade practices.

Other inquiry mechanisms into this sector, including parliamentary ones, are almost obliged to begin by appointing those who should be investigated as the investigators. They commonly hear about future 'savings' from supposed 'prevention', which the virus will likely expose as having been fantasy projections all along. Such inquiries only encourage more demands on government resources. The ACCC might be able to break this doomed cycle.

We attach our pre-COVID 2020 testimony to the Productivity Commission and our most recent correspondence with the ACCC. We've deliberately kept this brief and can provide much more fully-reference information from our 2019 and earlier submissions as well as university research to which we have access.

Tom Benjamin, PhD
President, Medical Consumers Association
Adelaide

declared interests: registered psychologist, adjunct university lecturer, expert witness, non-funded