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SUBMISSION OF THE HEALTH SERVICES COMMISSIONER, VICTORIA, TO THE SENATE STANDING COMMITTEE ON FINANCE AND PUBLIC ADMINISTRATION INQUIRY INTO ITEM 16525 IN PART 3 OF SCHEDULE 1 TO THE HEALTH INSURANCE (GENERAL MEDICAL SERVICES TABLE) REGULATIONS 2007

DATE: 2 October 2008

Introduction

Medicare, which has been in existence since 1974, is a Commonwealth funded health insurance scheme that ensures Australians are able to receive free or subsidised health care services. Our public hospitals are funded through the Australian Health Care agreements with the States and this is an excellent example of cooperative federalism. The objective of Medicare is to assist in improving health outcomes in Australia and to promote equity in the provision of and access to health services.

In September 2008 Senator Guy Barnett announced his intention to introduce a motion of disallowance into the Senate to remove item 16525 from the Medicare Benefits Schedule (MBS) to cease funding of second trimester abortions under Medicare. On 16 September 2008 the matter was referred by the Senate to their Finance and Public Administration Committee for Inquiry and Report on and not before 13 November 2008. Senator Barnett has said he will reintroduce his motion after the Committee has completed its Inquiry.

The terms of reference for the inquiry are:

(2) That the committee in particular report on:

(a) the terms of item 16525 of Part 3 of Schedule 1 to the Health Insurance (General Medical Services Table) Regulations 2007;

(b) the number of services receiving payments under this item and the cost of these payments;

(c) the basis upon which payments of benefits are made under this item; and

(d) the effects of disallowing this item.

(a) The terms of item 16525 of Part 3 of Schedule 1 to the Health Insurance (General Medical Services Table) Regulations 2007

This Inquiry is concerned only with 16525 on the General Medical Services Table (GMST). It is my understanding that patients can claim a prescribed rebate from Medicare for the MBS listed services when the doctor provides them with an invoice for services listed as claimable with an item number. These apply only to private patients and are not relevant to public patients in the public hospital system. The rebate does not necessarily match the cost of the service to the patient but represents the Commonwealth's contribution towards expenses. I also understand that where bulk billing occurs the practitioner can bill Medicare directly for the service.

In determining whether a particular medical service should be included in the Medicare schedule, a number of expert committees are involved and undertake consultative arrangements with the medical profession. This includes Department of Health and Ageing (DoHA), Medicare Benefits Consultative Committee (MBCC) with representatives of DoHA, Medicare Australia, the Australian Medical Association and relevant professional bodies. The Medical Services Advisory Committee evaluate new and existing medical services and technologies to ensure their safety, effectiveness and costs effectiveness.

The processes of these expert committees are rigorous, evidence based and very thorough. I understand that the opinion of these committees has not been sought on matters relating to this item number. If so, this is a disturbing omission.

(b) The number of services receiving payments under this item and the cost of these payments

I have noted Senator Guy Barnett's briefing document which gives the impression that the data relate only to abortion. However, my understanding is that the procedures funded under MBS item 16525 cover induction of labour not only for abortion but also following a foetal death in utero as well as induction of labour to provide a live baby. The cost of providing these services is not excessive and it would be discriminatory to stop funding them.

Concentration only on abortion does not give a correct picture of the complexity and costs of second trimester procedures. If anything, on examining the data I have come to the conclusion procedures are under funded by Medicare rather than over-funded.

(c) The basis upon which payments of benefits are made under this item

Medicare benefits are paid for professional services provided by doctors (and others) which are necessary for the appropriate management of the patient's medical condition and for inclusion on the Medicare Benefits Schedule these services must be clinically relevant. Clinically relevant, according to the *Health Insurance Act* 1973 is "a service rendered by a medical... practitioner... that is generally accepted in the medical... profession... as being necessary for the appropriate treatment of the patient to whom it is rendered." MBS Item number 16525 in so far as it refers to induced abortion, has been considered by expert committees who have determined it is clinically relevant. The law applicable to the termination of pregnancies is a State based jurisdiction rather than the province of the Federal Parliament. It seems to me that Senator Barnett's proposal is a "back door" way of trying to prevent women from accessing lawful, clinically relevant services. This current Senate Inquiry should not be examining the morality of whether the procedures in question are acceptable or not. That is not within the scope of the Inquiry. If it is Senator Barnett's mission to reduce the number of second trimester abortions, then this is in vain. His proposal will simply discriminate against women who are facing serious health problems and the terminations will continue.

(d) The effects of disallowing this item

The removal of item 16525 for reasons that are not evidence based and which contradict the work of all of the expert committees which included it in the first place, would be most unfortunate. It would show that the Federal Parliament does not genuinely believe in cooperative Federalism and is prepared to disregard State laws. The Parliament, with all due respect, is not as qualified in clinical obstetric practice as the expert committees which set up service 16525 as a Medicare item in the first place.

Removal of the item would not reduce the number of abortions but would simply discriminate against women who are in a very difficult situation. Taking into account the discrimination that women in rural regions already face, this would have an added disadvantage. The amount of money being paid is not high and the removal of the item would restrict the choice of Australian women who may need to have the procedure done in

a hospital of their choice using a doctor of their choice. The removal of the item will force more women to have services in our already over burdened public hospitals.

We need to make sure women who require these services have the option of having the procedure done with the doctor of their own choice locally where family and support systems are available. The removal of this service from Medicare benefits could cause many to have to travel long distances on a very lonely and stressful journey. There is an emotional aspect to these services which must be taken into account. Removal of the service would be inequitable and have a detrimental effect on women's health. It could even result in some deaths, particularly if there were delays in induced labour for the removal of a dead foetus. Restricting the services covered is also inequitable. Forcing women to proceed with a pregnancy where there is a grossly abnormal foetus is not acceptable.

The Parliament should be concerned primarily with the maternal health outcomes associated with these services rather than purely economic or emotional moral issues. Women in this situation are already facing severe financial and emotional burdens and the removal of this item number would be very inequitable.