



19 December 2003

Mr Jonathan Curtis  
Secretary  
Senate Select Committee on Medicare  
The Senate  
S1.30.1  
Parliament House  
Canberra ACT 2600

Dear Mr Curtis

**Inquiry into three key elements of the Federal Government's revised Medicare package, *MedicarePlus***

The Victorian Council of Social Service (VCOSS) welcomes the opportunity to provide a further submission to the Senate Select Committee on Medicare regarding the Federal Government's revised Medicare package, *MedicarePlus*, and congratulates the Senators on their efforts to provide the opportunity for broader community input into the debate around the proposed changes to Medicare.

VCOSS is the peak body of the social and community sector in Victoria. VCOSS works to ensure that all Victorians have access to and a fair share of the community's resources and services, through advocating for the development of a sustainable, fair and equitable society.

VCOSS reinforces its arguments regarding the critical importance of Medicare in ensuring the affordability of hospital and medical services, particularly to those on low incomes and those who are not able to afford or choose not to take-up private health insurance. Medicare is publicly valued and respected across Australia. The existing structure of Medicare has been demonstrated to be efficient, delivering increased output for only very modest increases in the share of GDP expended.<sup>1</sup>

VCOSS endorses the submissions of the Australian Council of Social Service (ACOSS) and the Victorian Medicare Action Group (VMAG), and the recommendations made to the Committee by ACOSS. VCOSS views the commitment in the package to recruit and retain doctors and practice nurses as positive, but supports the view of ACOSS that this is limited in its scope to respond effectively to the current issues.

The key concerns of VCOSS are that the *MedicarePlus* package:

- Contains no incentives to increase the bulk-billing rate for all Australian citizens – Limiting bulk billing to specific groups will contribute to the development of a two-tiered health system and undermine the social support for Medicare;
- Includes no steps to ensure that prices above the schedule fee, or out-of-pocket expenses and copayments, do not continue to increase;
- Includes an inappropriate safety net – there should be no need for a safety net in a universal health care system, with the safety net arrangement exposing low to middle income families to significant health expenses;
- Undermines the core principle of Medicare of the provision of universal health care.

VCOSS believes that the Government's *MedicarePlus package* will undermine the access by low and middle income adults and families without a concession card to quality health care. The likelihood of considerable financial disadvantage and hardship in the event of a chronic or severe illness for these adults and families is marked.

VCOSS believes that the Committee should consider the *Communiqué for Health Reform* of the Australian Health Care Summit held in August 2003. The *Communiqué* included the following *Statement of Principles*:

We believe the following principles must underpin the Australian health system:

- Universal access underpinned by a strong primary care system in a timely fashion, based on need, not ability to pay;
- Equity of health outcomes irrespective of socio-economic status, race, cultural background, disability, mental illness, age, gender or location;
- Consumers and patients must come first in health care services;
- Health promotion, preventing disease and maintaining health must be appropriately emphasised and balanced with our duty of care to those already unwell;
- Personal and corporate tax contributions should fund our health care – our health insurance for each other; and
- A fair balance of public and private resources and investment is needed to ensure equitable health outcomes for all Australians.

VCOSS advocates that truly universal health care system is the most cost effective and fairest way to deliver quality health care in Australia and equitable health outcomes for all Australian citizens.

Yours sincerely  
Victorian Council of Social Service



Cath Smith  
Chief Executive Officer

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<sup>i</sup> Livingstone, C. & Ford, G., 2003, Paying for health, *Dissent, Autumn/Winter*, 56-60, referring to: Deeble, J., Medicare's maturity: Shaping the future from the past, *Medical Journal of Australia*, 173, 44-47.