Medical co-payments and the assault on public health in Australia

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In its May 13 budget, the Liberal-National Coalition government announced that it would impose a fee for a range of medical services currently accessed without an up-front payment under the Medicare public health insurance scheme.

From July 1, 2015, a $7 "co-payment" will be charged for all general practitioner visits and for a range of diagnostic services, including X-rays, blood tests and ultrasounds. Children under 16 and people with concession cards such as aged and welfare pensioners are not exempt. They have to pay the fee for their first 10 services.

The cost of prescription medicines under the subsidised Pharmaceutical Benefits Scheme (PBS) has also been increased by $5 to $42.50. Currently people are charged the far-lower concessional rate for prescriptions once their cumulative total spent on medicines exceeds $1,421. That figure will rise by more than 10 percent to $1,597.80 this year and will increase by another 10 percent every year until 2018.

Even the concessional rate, which must be paid by concession card holders for 60 prescriptions before they can get scripts for free, has been increased from $6.10 to $6.90. The number of prescriptions paid for will also increase by two each year to reach 68 by 2018.

On budget night, Treasurer Joe Hockey touted the co-payments as the means of financing a Medical Research Future Fund (MRFF). Much of the revenue will be initially funnelled into the MRFF until it has amassed $20 billion, after which it will provide over $1 billion in annual grants to institutions and corporations involved in the highly profitable field of biotechnology. (See: "The Medical Research Future Fund: a hand-out to corporate Australia")

However, the main purpose of co-payments, as well as the increased prescription costs, is not to raise revenue but to set "price signals" to pressure people not to seek medical treatment. The impact will fall most heavily on the poorest sections of society, who already have little disposable income after they pay for housing, utility, transport and food. The extra payments will quickly add up for families with children, the elderly, the chronically ill, the disabled and many others. The Health Department has estimated that visits to GPs will decline by 1 percent in the first year of co-payments, and a further 0.5 percent in the second.

In every part of the world, governments are bewailing the fact that average life expectancy has dramatically risen over the past 50 years. In Australia, the average male born in 1945, who turned 65 in 2010 and qualified for the aged pension, can expect to live to 84.1 years of age. The average female born in 1945 will live to 87. By contrast, the average male born in 1900 was dead by the age of 56 and the average female by 60.

The increased life expectancy is the outcome of a number of factors. Above all, in the post-war period, the working class had greater access to the advances in medical treatment via an expansion of the public health systems, as part of broader concessions won through the struggles of workers. Infant mortality plunged. Many infectious diseases that killed large numbers of children and elderly can today be detected and prevented. Cancers, heart conditions and other degenerative illnesses that took the lives of so many people before they reached 60 are more effectively treated and controlled.

The debate over rising life expectancy exposes the incompatibility of capitalism with the essential social needs of the vast majority of humanity. Far from the extraordinary medical developments being used to save lives and better the health of all, the political and media representatives of the ultra-rich argue that access has to

be restricted because medical care costs too much. Under conditions of global economic breakdown, governments everywhere are curbing or slashing public health, along with other essential services, to meet the demands of the financial and corporate elites for lower taxes, higher profits and greater "international competitiveness."

The May 27 editorial of the *Australian*, for instance, complained: "With an aging population and technological progress in medicine, more of our taxes will be spent on medical services, prescription drugs and hospitals…. For aged patients, the cost of treating them in their final six months is equivalent to what had been spent on them in their whole lives up to that point. The nation needs to have a mature conversation about end-of-life treatment and palliative care."

This "mature conversation" about the limiting of expensive medical care applies not only to the elderly. An essay in the Australian *Journal of Medical Ethics* in 2013 argued that treatment should be withheld from new-born infants who had only a 10 to 20 percent chance of survival because they were not worth the cost. "We are already rationing healthcare, and will always be rationing… The only question is how we ration," it stated.

The call for a "price signal" to limit GP visits is not new. In 1991, the Hawke Labor government implemented a $3.50 co-payment system, but withdrew it in the face of massive political opposition. Now the 2014 budget contains that longstanding perspective. The initial fees are, as Treasurer Hockey said, "just the first word." Once co-payments are established they can be increased, and the principle extended to include charges for hospital stays, surgical procedures and other forms of medical treatment.

The user pays principle will widen the inequities within what is already a two-class health system. At one pole of society, the rich and upper middle class are able to access all available medical care, through privately-owned providers, to guarantee their children's health and prolong their own lives. They are able to live out their retirement in comfort and access the necessary care to alleviate the pain and distress of their dying days.

The working class faces a chronically underfunded and understaffed public health system. Access to more and more services and treatments will be limited by means of up-front charges. Already, workers who have reached retirement age face the indignities of substandard aged pensions, facilities and services, while the dying are denied adequate palliative care.

The right to free and high quality health care is bound up with the fight by the working class for a workers' government and a socialist program. The banks and major corporations must be expropriated in order to make the vast wealth and resources concentrated in the hands of a few available to society as a whole.