

# Australian government seeks to force doctors to charge fees

Mike Head

10 December 2014

After several weeks of conflicting messages and visible rifts in his government, Prime Minister Tony Abbott yesterday abandoned one of the most detested measures in the May budget—the imposition of a \$7 upfront fee to visit a doctor.

However, the government now plans to slash just as much off health spending—\$3.5 billion over four years—by coercing GPs, and other medical practitioners, into charging fees by reducing and freezing the rebates they receive under the Medicare health insurance scheme.

From mid-January, patients across the country, many of whom already pay fees—an average of nearly \$30—to see a GP, will face higher charges. Doctors who still “bulk-bill” the government under Medicare, avoiding charging fees, will have little choice but to tell their patients to pay upfront.

Rising medical costs mean that many people are already putting off seeing GPs, endangering their health. Last year, according to the Australian Bureau of Statistics, more than 800,000 people “delayed seeing or did not see” a GP at least once because of cost. By putting a “price signal” on visiting a doctor, the government plans to drive that number up.

Abbott’s apparent about-face—only last week he insisted that the \$7 co-payment would proceed—is another indication of an intense crisis wracking the Liberal-National Coalition government amid a sharp reversal in the Australian economy, reflecting the deepening global slump. In the space of a week, the government has now modified three key budget measures; the others being higher interest charges on student loans and a paid parental leave plan.

At the same time, by seeking to gouge higher fees from patients via their doctors, the government is reiterating to the financial and corporate elites its intent

to meet their demands for deep cuts to social spending, and the dismantling of welfare provisions. Today’s *Australian* editorial cautiously welcomed the modified GP fee plan as a sign that Abbott was listening to its year-long demand that to overcome public opposition to the “fiscal repair task.”

Abbott said the government’s expenditure review committee had been “chewing over” this change for some weeks before it was approved by cabinet yesterday. Two weeks ago, Treasurer Joe Hockey and Foreign Minister Julie Bishop publicly defended the \$7 GP fee after Abbott’s office told the media that it would be ditched.

Along with other key budget measures, such as stripping welfare payments from young jobless workers for six months at a time, the \$7 GP fee was not even put to parliament because of the widespread opposition to it. Confronted by that hostility, the opposition Labor and Greens parties and various cross-bench senators declared they would vote against it.

The government now intends to impose most of its medical rebate measures by executive decree, via regulations. These can be disallowed in the Senate, but not until after it next sits in February. Abbott yesterday appealed to senators not to block the regulations.

There is already outrage among doctors, however. Public Health Association of Australia president Heather Yeatman said GPs were “being forced to do the dirty work of the government. Either they lose \$3 billion from their own pockets over the next 3½ years or drag it from the wallets of the bulk of their patients. This is simply unacceptable.”

At a media conference to announce the revised policy, Abbott and Health Minister Peter Dutton buried most of the details, which reveal the most regressive features. Medicare rebates to GPs for consultations will

be reduced by \$5, slicing \$800 million off health spending over four years. However, even more (\$1.3 billion) will be cut by freezing for four years the Medicare fees for all services by GPs, specialists, allied health practitioners and others.

Health card concession holders, aged-care home residents and children will be spared the \$5 impost, as will pathology and diagnostic imaging services, but not the effects of the rebate freezes.

Another \$1.3 billion will be cut by a new fee structure. Currently, after many rebate cuts and freezes by successive governments, doctors receive just \$37.05 for a consultation of up to 20 minutes. That will be cut to \$32.05 and consultations of less than 10 minutes will pay only \$11.95. These measures are targeted at medical clinics, mainly in working-class areas, that have retained bulk-billing via economies of scale, often with doctors seeing patients for short consultations.

Abbott and Dutton claimed that the new regime, like the original \$7 fee, was designed to “save” Medicare by making it financially “sustainable.” In reality, this plan is the latest in a long line of moves by Liberal-National and Labor governments alike to kill off the last remnants of Medicare’s most important feature for ordinary working people—the possibility of seeing a doctor without charge.

While Labor Party leader Bill Shorten feigned opposition to the modified plan, it was the Hawke Labor government that first moved to end bulk-billing in 1991. It tried to impose a \$3.50 fee (equivalent to \$7 today), before back-peddalling in the face of public outrage.

Between 1996 and 2007, the previous Howard Coalition government deliberately ran-down Medicare rebates in a bid to end bulk-billing. From 2007 to 2013, the Rudd and Gillard Labor governments unleashed a health “reform” scheme that drives down costs, and standards of care, in public hospitals by paying them only a “national efficient price” for each procedure they undertake. In the May budget, the Abbott government took up where Labor left off, cutting \$8.6 billion from health over four years.

Medicare and its predecessor, Medibank, introduced in 1975, have never provided free, universal health care. Medicare is an insurance scheme, partly funded by income tax levies, that covers treatment in public hospitals and 85 percent of “schedule fees” charged by

GPs and a limited range of other services.

Like the chronically under-funded public hospitals, Medicare has increasingly become a second-class system for those who, unlike the wealthiest layers of society, cannot afford expensive private health care. Now even that “safety net” service is being demolished.

While Labor and the Greens said they will vote to disallow the changes in the Senate, Labor leader Shorten quickly signaled support for the rebate freeze and payment cuts for short consultations. Several of the right-wing populist senators indicated a readiness to back the package.

Confronted by a rapidly deteriorating economic outlook—falling export commodity prices, slowing growth in China and stagnation in Japan and Europe—there is mounting corporate and media pressure on the entire political establishment to help deliver the government’s promises to the financial markets to eliminate the budget deficit within four years.

Today’s *Australian* editorial pointedly recited some of its previous editorial messages to the Abbott government over the past year. It warned that “the government now confronts the prospect of a worsening economic environment while its fiscal repair task is jeopardised by an uncooperative Senate and its own lack of effective political persuasion,” adding: “It is a dire confluence of events and will require a rigorous and sustained effort to restore momentum.”

As far as the ruling class is concerned, the Abbott government must impose its dictates, on health and every other front, regardless of the public opposition, and the terrible social cost.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**