

Australian government in disarray over doctors' fees

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16 January 2015

Facing outrage among doctors and patients over its drive to force people to pay upfront fees to see general practitioner (GP) doctors, Prime Minister Tony Abbott's government yesterday performed its second apparent backflip on the issue in a month.

Health Minister Susan Ley returned early from her summer holiday to announce that the government had dropped its plan to drastically cut, from next Monday, the rebates paid to doctors for short consultations under the Medicare health insurance system.

"The government is taking them off the table," Ley said. It was her first major media conference since being installed as health minister last month as part of a cabinet reshuffle designed to put a new face on Abbott's increasingly discredited government.

Ley emphasised, however, that the underlying offensive to "reform Medicare," that is, to dismantle the subsidised health system, would continue, via "consultation" with "doctors and the community." She vowed to be "persistent and persevering" in setting "price signals" for health services.

Only a day earlier, Abbott interrupted his own holidays to demand support for the \$20 rebate cut and denounce the Labor Party opposition for suddenly deciding to join other senators to disallow it once the Senate resumed next month.

Abbott accused Labor of "consistently sabotaging" the government's budget policies. Labor and other senators were "just not prepared to accept any tough decisions, and that puts our nation in a very difficult position."

His comments were a sign of the mounting corporate and media pressure on the government—and the Labor Party—to deliver deep cuts to health and other social spending as falling mining export prices cut billions of dollars off profits and government tax revenues.

The prime minister also dismissed warnings by doctors that patients, unable to pay fees, would flood into public hospital emergency departments instead. The Australian Medical Association (AMA), which represents most doctors, said patients could wait up to 12 hours for emergency care, as now occurs in Britain. Abbott bluntly declared that "anyone who has been to an emergency department" already knew they had to wait, "sometimes quite a long time."

Abbott claimed that the government's aim was to make the Medicare system "sustainable" and even improve the level of care given by doctors by slashing the rebate they receive for short consultations (less than 10 minutes) by more than half, first to \$16.95, then to \$11.95.

In reality, the government's obvious aim is to reduce public health spending, with predicted savings of \$3.5 billion over four years, and to effectively kill-off Medicare "bulk billing," which currently enables about 80 percent of patients to see GPs without paying fees.

Abbott's Liberal-National government last month abandoned one of the most detested measures in last May's federal budget—a \$7 upfront fee to visit a doctor. But it announced cuts and freezes to doctors' rebates, starting with the planned gutting of the short consultation payment on January 19.

Both backflips reflect the government's deepening political crisis over its inability to overcome public hostility to many major budget cuts. The new year has begun in the same fashion as 2014 ended, with the government's most unpopular measures, including unemployment benefit cut-offs for younger workers and higher tertiary education fees, stalled in the Senate because of overwhelming public opposition to them.

Nevertheless, the government remains committed to imposing "price signals" on medical treatment. From

July 1, Medicare rebates to GPs for all consultations will be reduced by \$5, slicing \$800 million off health spending over four years. Another \$1.3 billion will be cut by freezing for four years the Medicare payments for all services by GPs, specialists and allied health practitioners.

As a result, many doctors will have no choice but to drop bulk billing, and patients will either have to pay higher charges, forgo treatment or go to a hospital emergency department.

Those hardest hit will be working class households, who are the least able to afford medical bills and the most likely to suffer illnesses. A study conducted by the government itself last year, but never published, confirmed widening social and health inequality. The paper showed that morbidity, or disease, occurs 2.6 times more often in the poorest households than in the richest.

Labor leader Bill Shorten is now hypocritically posturing as a champion of Medicare, claiming: “Labor is on the side of patients and GPs.” Last month, however, he indicated that his party would support freezing doctors’ rebates for four years and was also “open to considering” slashing short consultation payments.

The drive to dismantle Medicare bulk-billing began in 1991, when the Hawke Labor government tried to impose a \$3.50 GP fee (equivalent to \$7 today), before back-peddalling in the face of public outrage. From 2007 to 2013, the Rudd and Gillard Labor governments imposed a health “reform” scheme that is driving down the funding of public hospitals.

Shorten only changed his tune after the AMA warned that the planned January 19 rebate cut produced a “level of anger and disbelief” that was “unprecedented.” Doctors posted notices urging their patients to blame the government, not them, for fee rises, and planned to hold protest rallies early next month.

The AMA welcomed the government’s about-face and declared its readiness to discuss with the government “common sense” alternatives to reducing health spending. This is a clear warning. Behind all the talk of a “victory” for patients, revamped schemes are being prepared to kill off the only remaining access that working class people have to affordable medical care.

Editorials today in the Murdoch and Fairfax media

voiced overall frustration and impatience with Abbott’s government, combined with demands that it, together with Labor and the AMA, find means to drive down health spending.

“The problem appears to be a familiar one for the Abbott government—mistakes in the policy detail and its public advocacy,” the *Australian* stated. “We are witnessing yet another messy fumbling of worthwhile reform ... Let’s hope the AMA offers some constructive ideas and a workable plan is forthcoming.”

The *Australian Financial Review* noted: “Pretty much the first outing for new Health Minister Susan Ley has been to announce the Abbott government’s first political defeat of the year.”

Abbott’s ability to deliver on the dictates of the corporate media is being increasingly called into question in ruling circles, and the economic situation is worsening dramatically. Demands are being issued for Labor to extend its bipartisan support for frontline engagement in the US-led war in the Middle East and repressive “counter-terrorism” laws to the budget front.

“If Bill Shorten is to present himself as an alternative prime minister he must recognise the national economic interest,” the *Australian* insisted on January 13. The reactionary atmosphere generated around the highly dubious terrorist attacks in Europe is being used, as it is internationally, to try to shift politics further to the right to overcome popular resistance to capitalism’s austerity offensive.



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