

The Australian election's "save Medicare" fraud

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Desperate to give disaffected working people a reason to vote Labor at the July 2 federal election, the party's leader Bill Shorten conducted a second campaign launch yesterday—a week after the first. The gathering was billed as a rally to "save Medicare," the subsidised public health insurance system.

Shorten unveiled a revamped Labor campaign bus, altered to feature the over-arching slogan: "Save Medicare, vote Labor." Shorten told the assembled 400 party supporters that Labor could win the election on this basis. "We will fight for Medicare and we will win," he declared.

Labor's claim to defend Medicare is a monumental lie. In the first place, it was the last Labor government, from 2007 to 2013, that stepped up the assault on Medicare in 2013 by freezing the payments to GP doctors, increasingly forcing them to charge upfront fees to see patients. The Liberal-National Coalition government then extended the freeze until 2020, continuing a pattern of successive governments cutting back rebates to doctors.

Moreover, three weeks ago, as part of Labor's bid to satisfy the financial markets and win business backing, Shorten dropped Labor's previous promises to restore the \$57 billion to be stripped from public hospital funding over the next decade. This will ensure the continued running down of the hospital system, regardless of which parties form government after July 2.

Shorten accused the Coalition of preparing to privatise Medicare by outsourcing its payments system, but the last Labor government had almost identical plans. It also effectively privatised all disability services, introducing a totally outsourced National Disability Insurance Scheme.

Prime Minister Malcolm Turnbull called Shorten's claim "the biggest lie of the election campaign," but felt compelled to abandon, for now, the plan to hand over Medicare's payment-making to private companies. Via a freedom of information request, however, it became clear

that the cabinet had already spent \$10 million hiring corporate consultants to prepare the scheme.

For electoral reasons, Labor has vowed to reverse the government's plan to slash \$650 million over the next four years by cutting access to "bulk-billing" (services provided without upfront patient fees) for pathology tests, diagnostic imaging and scans. But Labor's pledge also will almost certainly be abandoned after the election, with the corporate elite demanding that health spending be drastically reduced because of the worsening economic situation in Australia and globally.

Labor has gone into every election for the past three decades cynically vowing to "save Medicare." Shorten's assertion that this election is a "referendum" on Medicare is a carbon copy of the same claim made by one of his predecessors, Mark Latham, two weeks before the 2004 federal election.

The reality has been one of a relentless assault on public health care by Labor and Coalition governments alike. In fact, former Labor Prime Minister Bob Hawke, who is featured in Labor's "save Medicare" advertisements, began the offensive against Medicare in 1991. His government tried to impose a \$3.50 upfront fee (equivalent to \$8 today) for patients to see doctors, before retreating in the face of public outrage.

Cuts to health spending continued under the last Labor government. While billions of dollars were allocated for military hardware, health spending fell from 18.09 percent of total government outlays in 2006–07, when Labor took office, to 15.97 percent by 2015–16.

Medicare, and its predecessor Medibank, introduced in 1975, never provided free, universal health care. Many essential services, such as dental care, were not covered. Long waiting times for treatment in public hospitals also forced millions of people into taking out private insurance. This has produced a two-class health system, with highly profitable private hospitals flourishing

alongside chronically-underfunded, under-staffed and over-stretched public hospitals.

Nevertheless, for ordinary working people, Medicare's two most important features were their ability to see a doctor without charge (by GPs "bulk-billing" Medicare), and to obtain free treatment at a public hospital. Both have been increasingly killed off by governments at both federal and state levels.

According to official statistics, about 85 percent of doctors' consultations are still bulk-billed despite the protracted freeze on GPs' rebates. In reality, however, bulk-billing is no longer available in many working class and regional areas, except where there are large clinics providing short consultations.

In the public hospitals, the Australian Medical Association's annual report card this year revealed that emergency department waiting times worsened in 2014–15, with only 68 percent of emergency department patients classified as "urgent" being seen within half an hour. In other words, gravely-ill patients were not treated within medically safe times.

So-called "elective surgery" waiting times averaged 35 days, a deterioration since 2001, when patients waited 27 days on average. Many of these patients are suffering painful, debilitating and potentially life-threatening conditions. "Elective surgery," for example, includes coronary artery bypass operations.

Much of the waiting time blowout occurred under the last Labor government. Its "health care reform" agenda featured the imposition of "casemix" funding. Hospitals no longer receive block funding to meet the needs of the growing populations they serve. Instead, they are paid only for each procedure actually performed, and according to nationally-set "efficient" prices.

This system is designed to continually lower hospital funding, placing pressure on medical staff to increase their workloads and throughput, inevitably compromising patient care, including by prematurely pushing them out of hospital beds.

This offensive will only intensify once the election is out of the way, regardless of the pledges to "save Medicare." Over the past week, the corporate media has condemned both Labor and the Coalition for back-peddalling on slashing health spending. Paul Kelly the *Australian's* editor-at-large said it was proof of "the dysfunctional political system."

A June 23 editorial in the *Australian* insisted: "If Medicare is to remain viable, it cannot be frozen in a time warp as untouchable. It needs improved efficiencies, cost

containment and, much as politicians hate to admit it, greater reliance on user pays." The newspaper praised the Coalition for earlier proposing to cut payments to doctors that would have meant patients paying \$20 upfront per visit. This, the editorial proclaimed, was "not an unreasonable sum."

On every front, the only beneficiaries from the worsening public health tragedy have been the private hospitals, medical providers and insurance companies, together with the pharmaceutical giants that profit by supplying ever-more expensive medicines and prescription drugs.

In its election statement, the Socialist Equality Party calls for a vast redistribution of wealth to secure the social rights of all, including free, high-quality, readily-accessible health care. This cannot be achieved without ending the domination of a financial and corporate oligarchy over all aspects of economic life, including medical care.

Instead of the ever-greater subordination of health care to the capitalist market, billions of dollars must be dedicated to upgrading, expanding and staffing public hospitals, medical clinics and a full range of modern health services. These must include health specialists, such as dentists, psychologists, physiotherapists, podiatrists and dieticians, many of whose services Medicare has never covered.

To contact the SEP and get involved, visit our web site or Facebook page.

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