

# Australian health care costs among the worst internationally

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A recent healthcare affordability study has found Australia ranks among the most unaffordable for people aged 65 and over, when compared to 11 comparable OECD countries, including New Zealand.

In Australia nearly 20 percent reported spending \$1,000 or more in “out-of-pocket” healthcare costs during the year, the third largest proportion after Switzerland (53 percent) and the US (37 percent). “Out-of-pocket” expenses are extra costs not covered by private or public health insurance.

Published in December, the 2017 International Health Survey performed by the Commonwealth Fund, a private US foundation, surveyed 24,000 people across the 12 countries, which included 2,500 from Australia. The study focused on the costs of healthcare for an aging population—that is, people who more commonly suffer from multiple chronic illnesses, compared to younger people.

When asked about the difficulty of paying medical bills, 13 percent in Australia said they had problems, the highest rate of all the countries surveyed. In the United States, where the privatisation of the health system is most pronounced, resulting in soaring health costs, 10 percent reported problems paying medical bills.

The remaining 10 countries in the survey recorded 5 percent or less. They were Canada, the United Kingdom, France, Germany, Netherlands, Norway, Sweden, Germany, Switzerland and New Zealand.

In Australia, 8 percent of those surveyed said they had skipped medical care due to cost and 14 percent missed filling out a medical prescription. This was second only to the US (13 percent and 23 percent, respectively).

These results indicate working-class elderly people, usually those most in medical need, are likely to be

suffering serious health consequences, with major impacts on their quality of life, purely because of their inability to pay the high costs of treatments and medications.

Surgical expenses for such common procedures as hip replacements in Australia, for example, can typically add \$5,500 to out-of-pocket costs, unless patients wait months for a public hospital operation.

Australia and the US recorded the highest prevalence of elderly patients who responded as being “high-need”—suffering from multiple chronic conditions, having “limitations with basic function” and requiring assistance.

Asked if they considered themselves economically vulnerable, in the US one-third of the high-need respondents worried about not having enough money to buy nutritious meals, and pay for housing, utilities and medical needs. This was followed by both Australia and Germany, with one quarter considering themselves economically vulnerable.

In all countries, many high-need respondents expressed low levels of satisfaction with the quality of their care. Australia was again on top, with 41 percent of this group giving their care low marks, compared to the lowest result of 21 percent in Switzerland.

Australia recorded the highest proportion of elderly patients missing dental appointments due to cost (23 percent), eclipsing the US on 21 percent. Yet, regular access to dental care is also vital for maintaining health.

Poor oral health leads to increased likelihood of tooth loss, periodontal disease and oral cancers. The impacts on daily life are significant, such as reduced chewing performance, constrained food choice, weight loss and impaired communication, as well as low self-esteem and wellbeing, leading to poor quality of life.

These findings debunk the myth of “free” or

“socialised” health care in Australia, as well as the conception that Australia’s system is more humane than the more overtly profit-driven US healthcare system. The study suggests that health care is deteriorating in Australia, with a damaging impact on the elderly and the poor in particular.

Deepening real cuts to public health funding mean that patients confront higher “out of pocket” charges from doctors, clinics and hospitals. Those patients who can afford take out private insurance in the hope of securing better treatment are also facing soaring premiums and bigger “gaps” between their medical bills and the refunds they receive from the insurers.

Years of funding cuts by both Liberal-National Coalition and Labor governments are resulting in increasing sections of the population unable to access the required health care.

Statistics from the Australian government-funded Institute of Health and Welfare show that total government health expenditure for 2015–16 was \$114.6 billion, up by just 4.1 percent from the previous year. That was lower than the average annual rise of 4.4 percent for the decade.

When the almost 10 percent population increase in the same period is taken into account, healthcare funding has been cut significantly. Moreover, medical treatment and pharmaceutical costs are rising at a faster pace.

There has been an unending drive in Australia, mirroring processes in the US and other countries, to create an increasingly profit-driven, privatised healthcare system. This has created a “two-tier” health system, with an increasing proportion of the population forced to buy private insurance to avoid delays.

However in the past two years, there has been a reversal in private health coverage. The proportion of people privately insured fell to 45 percent in 2017, after rising from 43 percent in 2006 to 47 percent in 2015.

Annual hikes in private health insurance premiums sanctioned by successive governments have averaged 5.35 percent per year since 2000, far outstripping wage rises. This is now resulting in an exodus from private health coverage, and this is placing greater demands on the already underfunded public health system, resulting in longer waiting lists and sub-standard treatment.

Those most affected are the working class and poor. The Australian Bureau of Statistics’ annual Patient

Experiences in Australia survey in 2016–2017 showed that the percentage of patients who delayed or failed to seek treatment was highest among the poorest fifth of the population. For instance, 27 percent of the poorest quintile delayed seeing a dentist, or did not see one at all, compared to 11 percent of those in the wealthiest fifth of the population.

Dental care in Australia is not covered by the Medicare public insurance scheme and 80 percent of people are not eligible for public dental care. Such is the dearth of public dental services that even those who are eligible face extraordinarily long waiting lists that preclude timely and adequate treatment.

These studies further demonstrate the worsening state of the health system and the growing healthcare inequality, which is accelerating the social inequality being driven by the widening gap between the incomes and wealth of working-class households and the tiny corporate elite.



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