

## Health Budget 2019: cash splash beats long-term reform—again

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‘Commonwealth investment in healthcare is welcome—but a cash splash without long-term vision ensures that entrenched problems stay entrenched’, says Australian Healthcare and Hospitals Association (AHHA) Chief Executive Alison Verhoeven.

‘Tonight’s Budget once again rewards service volume and attendant rising costs when we need to shift the whole system to **value-based healthcare**—that is, better outcomes for patients relative to costs.

‘The Commonwealth Government has got some double bang for its buck as it re-announces previous promises as new Budget 2019 commitments.

‘Nevertheless AHHA welcomes access to cheaper medicines, specifically the re-announcement of **new drugs to be added to the Pharmaceutical Benefits Scheme** for breast cancer and skin cancer patients. Nearly \$500 million for **cancer research** in Victoria is also welcome.

‘We note the Government has committed funds to a **Royal Commission into violence and abuse of people with a disability**—however this will not be sufficient for the broad-reaching review that is needed to ensure safe, high quality services for people with disability. We welcome funding for more home care packages, but this doesn’t go far enough to address the current long waiting lists in **aged care**.

‘AHHA supports the setting aside of \$200 million to help reduce **out-of-pocket costs for diagnostic imaging**—but it remains to be seen how far this will go in reigning in rising costs and in encouraging fee transparency.

‘It is pleasing that the Government has matched Labor’s promise to bring forward by a year the lifting of the freeze on GP rebates. Not addressing specialist rebates, however, will result in continuing growth in out-of-pocket costs.

‘Providing \$62 million over four years to **rural areas** for GP, emergency care and specialist services is also welcome. But there is much more to do to in tackling issues of access and affordability for rural Australians—for example, funding a rural generalist program in allied health.

‘Another measure that does not go far enough is the re-announcement of \$448 million over 4 years for payments to GP practices that ‘enrol’ elderly patients with chronic conditions. This expansion of the **Health Care Homes trial** provides a funding mechanism for team-based care, which should be made more broadly available.

‘It is disappointing that the Government has not funded a Productivity Commission inquiry into the **private health insurance** sector as part of reforming our public/private health system.

‘Private health insurers receive more than \$6 billion of taxpayers’ money from the Government every year, and premiums continue to rise faster than inflation—often with reduced reimbursements for policy-holders. An independent review of this massive spend to ensure it represents good value for taxpayers is long overdue. The awareness program announced to support implementation of the gold, silver and bronze categories is not much more than window-dressing.

‘High on the agenda of most Australian households is the availability of affordable healthcare when we need it—and an expectation that our **public hospitals** will be therefore be well funded to provide these services. It’s disappointing the Commonwealth continues with its plan to claw back funding from the states for services already provided by our state-run public hospitals.

‘The lack of any concrete action on **preventive health** is concerning—it has been allowed to slip down the health budget priority list again despite its proven benefits in preventing big health bills later. Claiming previously committed funds for the Child Dental Benefit Schedule as an additional investment in prevention is a hoodwink.

‘Once again, **dental health** has been overlooked. It’s time to reverse the massive cuts to adult public dental services of the past few years. We also need to act now to fluoridate every community’s water supply in order to prevent costly dental procedures in the near future.

### Media enquiries:

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‘With a \$40 billion investment over 4 years to improve access to medicines, it is very disappointing that the Government has not taken the opportunity to improve **health outcomes for Aboriginal and Torres Strait Islander peoples** by making the administrative changes needed to ensure patients discharged from hospital have access to **Closing the Gap prescriptions**. This is a practical and relatively inexpensive measure that would make a difference and has been overlooked for too long. Additional investment to support Indigenous health and medical research is welcome, however.

‘We applaud the ongoing commitment to investment in **mental health**, including to address youth suicide. The particular needs of young Aboriginal people must be part of this investment.

‘The lack of additional investment in harm minimisation and treatment services for alcohol and drug use is another disappointing gap in this year’s budget.

‘In summary we welcome the spending on health announced in tonight’s Budget. But we are disappointed that very little attention has been paid to the large structural reforms needed to deliver better healthcare access and affordability—piecemeal pot shots of cash do not make a budget’, Ms Verhoeven said.

‘AHHA and Australian health leaders have mapped out how to transform our healthcare system into a fit-for-purpose 21<sup>st</sup> century system. *Healthy people, healthy systems* ([www.ahha.asn.au/Blueprint](http://www.ahha.asn.au/Blueprint)) is a comprehensive blueprint with a range of short, medium and long term recommendations on how to progressively reorientate our healthcare system to focus on patient outcomes and value rather than throughput and vested interests.

AHHA’s blueprint calls for an independent national health authority, distinct from the Commonwealth, and state and territory health departments, that would report directly to COAG, to tackle the entrenched problems facing our health services and to support better outcomes-focused, integrated care for all Australians.

More information about the AHHA is available at [ahha.asn.au](http://ahha.asn.au). This media release is available [online](#).

**The Australian Healthcare and Hospitals Association is the national peak body for public and not-for-profit hospitals, and community and primary healthcare services.**

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