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Data-driven Research to Improve Access and Affordability of Healthcare

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Two key public concerns on access and affordability

Alice, 27, Tasmania, “Private health insurance premium is so expensive, should I drop it? Why do I have to pay penalty if I am happy with the public system and don’t buy it”

Jenny, 35, a single parent, “I cannot afford to see a GP because I need to save that money for my mortgage and for my son to see a doctor”

Two important policy questions

1. What role should private health insurance (PHI) play?

2. Should primary care be free for all?

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RESEARCH ARTICLE

Health Economics WILEY

Effects of private health insurance on waiting time in public hospital

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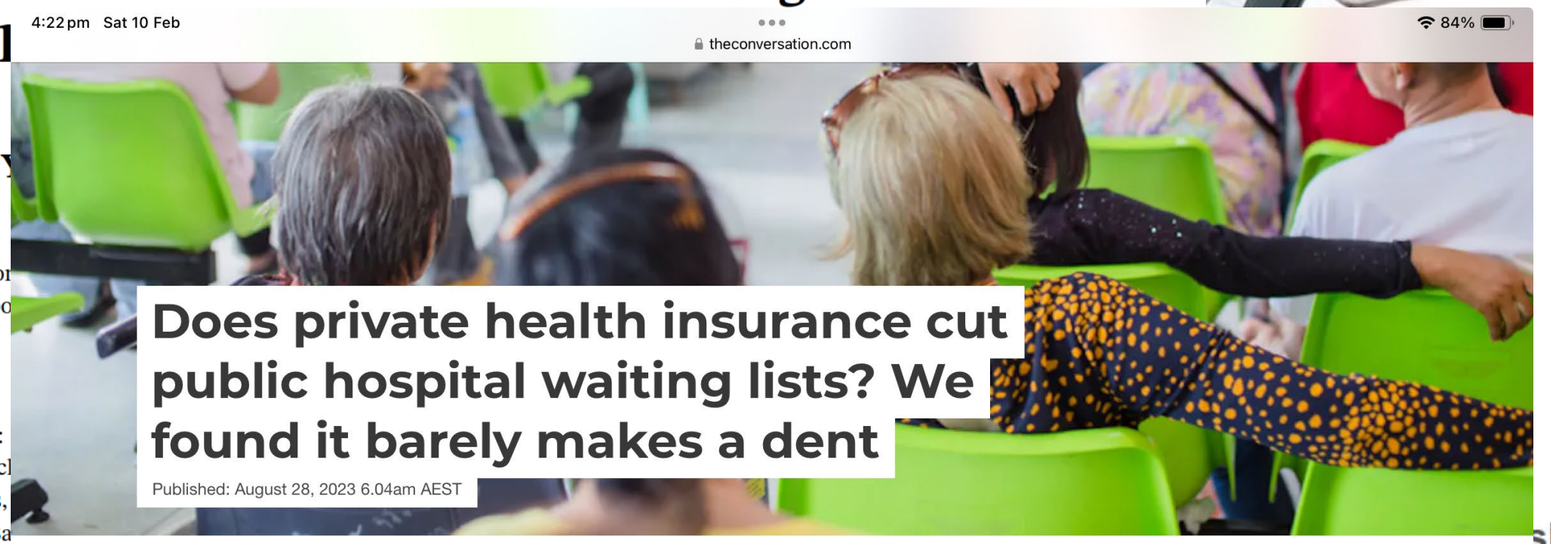

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The more people take up private health insurance, the less pressure on the public hospital system, including shorter waiting lists for surgery. That's one of the key messages we've been hearing from government and the private health insurance industry in recent years.

Governments encourage us to buy private hospital cover. They tempt us with carrots – for instance, with subsidised premiums. With higher-income earners, the government uses sticks – buy private cover or pay the Medicare Levy Surcharge. These are just some of the billion-dollar strategies aimed to shift more of us who can afford it into the private system.

But what if private health insurance doesn't have any meaningful

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coverage leads to about 0.34 days (or 0.5%) reduction in waiting times in public

And if they want to avoid that currently required.

Key findings

- Rebates are mainly effective for the bottom 25% of earners
- Medicare Levy Surcharge hurts younger, healthier, those living in rural areas
- PHI is not effective at reducing waiting time in public hospitals

Policy recommendations

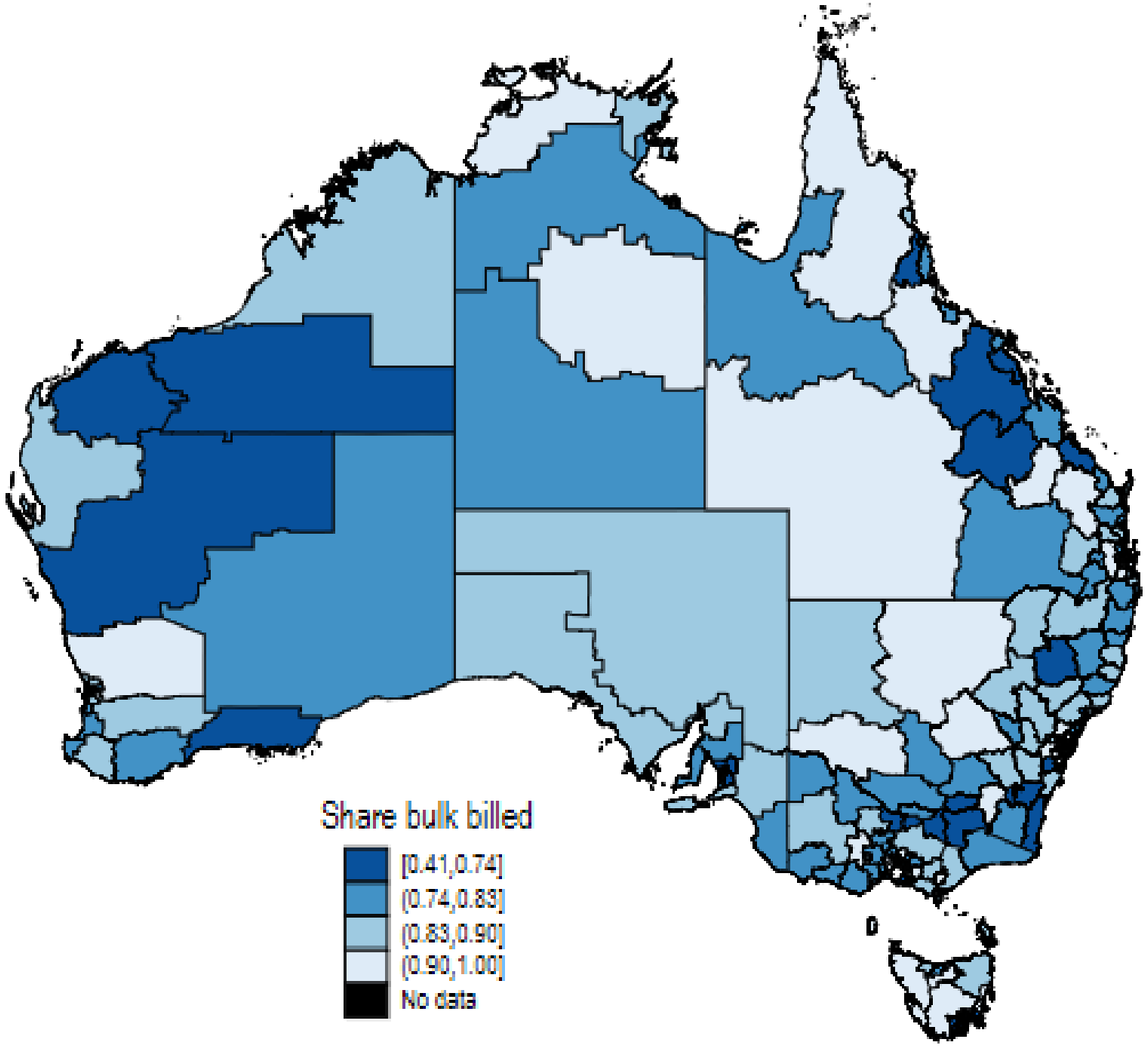
- Reduce public support for PHI

- Possible adjustments to current policies
  - Target rebates to low-income
  - Target Medicare Levy Surcharge to high-income and don’t specify what type of plans people have to buy

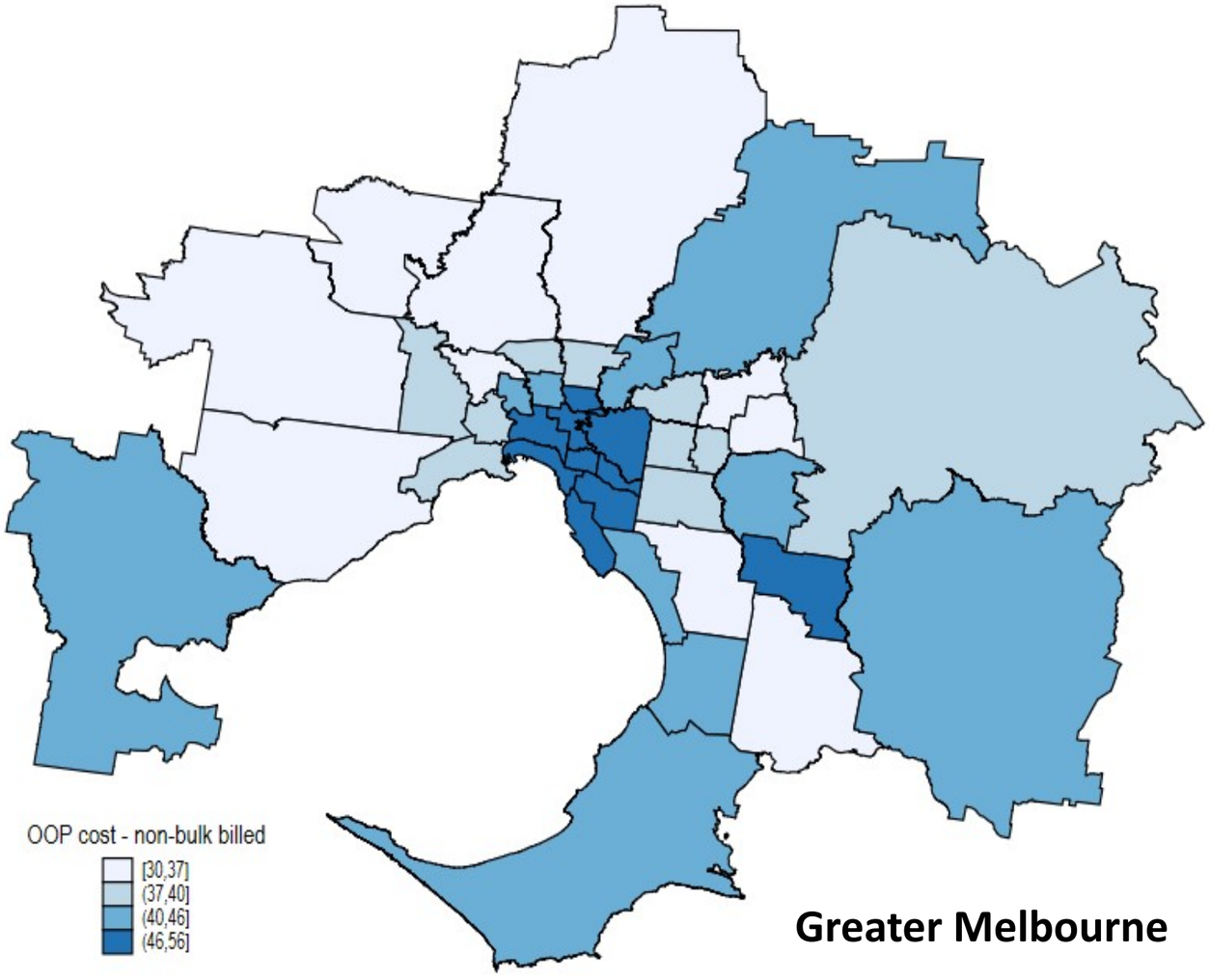
- Use savings to directly support primary care and preventive care

Bulk-billing rate and patient costs per visit in 2022

Bulk billing (free GP visits) %



OOP $ among non-bulk-billing



Greater Melbourne

Should primary care be free for all?

How much does it cost to make primary care free for all?

- $950 million a year (or $700 million for face-to-face)

Does the government have capacity to do this?

- Yes

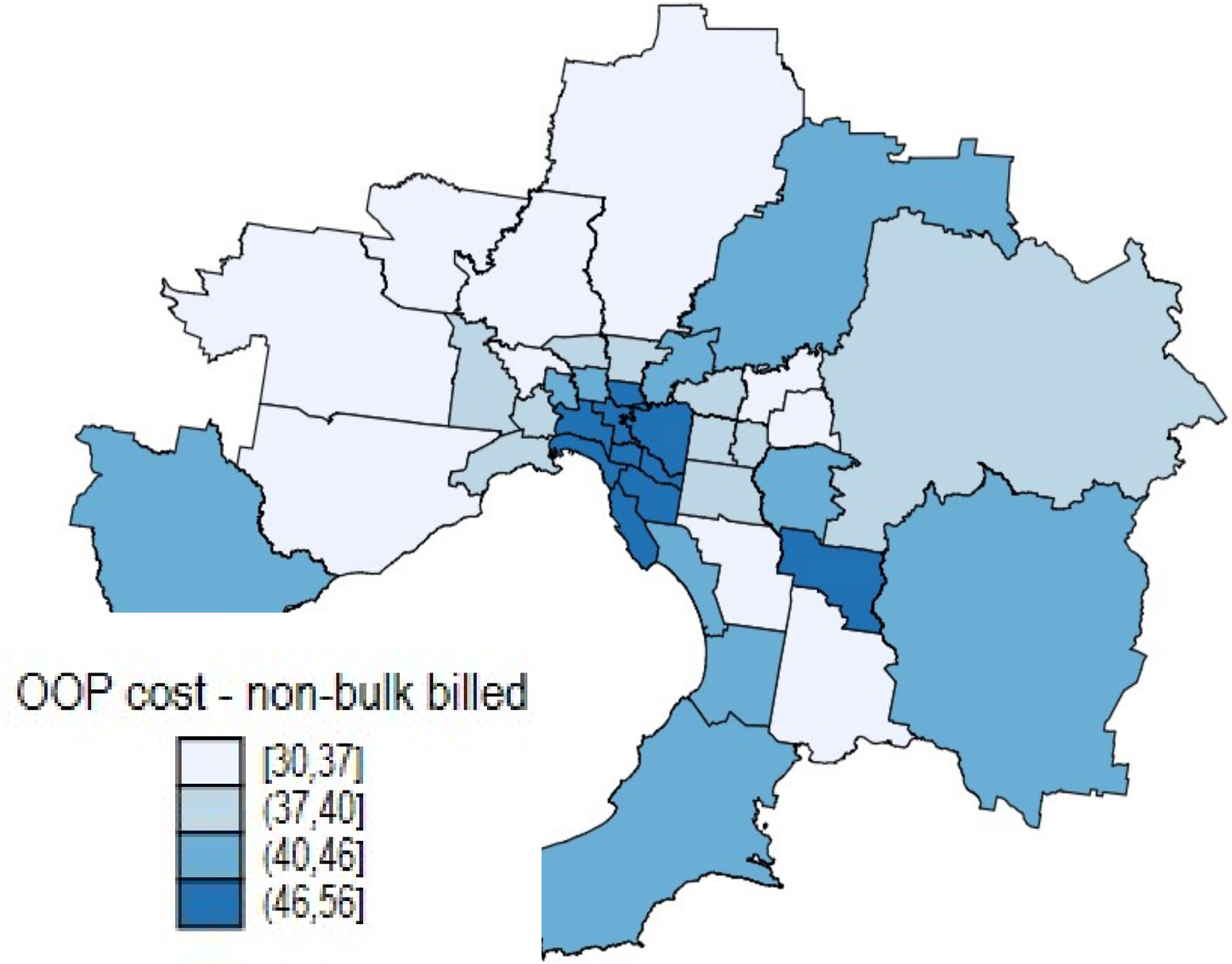
Can the triple bulk-billing incentive get us there?

Triple Bulk-billing Incentives

GPs are paid bonus if they bulk bill children under 16 years & concession patients

	Nov 1 2023
Metropolitan	**$20.65**
Regional centres – very remote communities	**$31.35-$39.65**

Patient costs for a non-bulk-billed GP visit in Greater Melbourne



Policy recommendations

- Region-based policy may not be most effective
- Better design to make it work better
  - Low-income and children should get free primary care regardless where they live
  - Reduce copayment for general population
  - Reduce unnecessary visits
  - Consider price negotiations with providers as currently done for medications

Thank you! yuting.zhang@unimelb.edu.au

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