

Media release

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Sick Australians forgoing medication as out-of-pocket expenses mount

Australians are paying more than \$1 billion each year in out-of-pocket expenses for GP visits, pharmaceuticals, pathology and diagnostic testing despite Medicare's pledge to provide 'fair and affordable' health care, a new study by The Australia Institute reveals.

The study also confirmed that many Australians are forgoing treatment, with almost a quarter of survey respondents (23%) admitting they had postponed or avoided having a prescription filled because they could not afford to pay for it.

Bulky Billing: Missing out on fair and affordable health care examines the shortfalls in Medicare and the Pharmaceutical Benefits Scheme (PBS) and the role GPs can play in determining out-of-pocket expenses.

Research Fellow David Baker said GPs have enormous discretion over how much patients pay, not just for their consultation, but for drugs and pathology and diagnostic tests.

"Only six per cent of survey respondents reported first hearing about generic medications from their GP, while 43 per cent said they would not use generic medication without first checking with their doctor. Just 17 per cent realised that it was up to their doctor to tick the bulk billing box on referral forms for pathology tests," said Mr Baker.

The study shows that young women are more likely to be hit by GP gap fees and that two out of every 10 Health Care Card holders and almost as many Pensioner Concession Card holders (18%) have paid to visit their doctor. This is despite concession card holders being entitled to bulk billing.

"Incentive payments to service providers to encourage bulk billing clearly are not working and the fact that there needs to be safety net policies for what is supposed to be universal health care is evidence that the system needs its own check-up," said Mr Baker.

Policy options available to the government include:

- Requiring prescription software to default to the active ingredient and not a brand name (except where the "no brand substitution" box is checked)
- Automating safety nets to ensure patients receive the savings they are entitled to
- Promoting generic medications
- Mandating the use of government-supplied referral forms which have an estimated cost of treatment and options for public and private providers

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