

Media Release

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Widening the Gap: GP Co-Payments and Aboriginal Health Outcomes

The Victorian Aboriginal Community Controlled Health Organisation (VACCHO) was established in 1996. VACCHO is the lead advocacy body for the health of Aboriginal people in Victoria and peak Aboriginal health body representing Aboriginal Community Controlled Health Organisations (ACCHOs). The role of VACCHO is to build the capacity of these members and to advocate for issues on their behalf.

Today VACCHO's CEO, Jill Gallagher AO, and Chair, Jason B King, gave evidence before the Senate Community Affairs References Committee Inquiry into out-of-pocket costs in Australian healthcare.

The proposed co-payments for GP visits and out of hospital pathology and radiology are bad public health policy and a threat to universal healthcare.

VACCHO and our members are opposed to the introduction of co-payments.

The proposed co-payments are also bad for the health system as a whole. Co-payments will place greater stress on hospital emergency departments and increase financial and administrative burden for many primary health care providers, including Aboriginal Community Controlled Health Organisations (ACCHOs).

Most importantly, the proposed co-payments will further disadvantage Aboriginal and Torres Strait Islander people, who on average have lower incomes and poorer health status, lower levels of access to primary health care and poorer health outcomes once they enter the health system, than non-Indigenous Australians.

Health costs are already a significant barrier to Aboriginal people's access to primary health care. The last report from the COAG Reform Council, *Healthcare in Australia 2012-13: Five years of performance*, found that for many Australians, affordability and accessibility of healthcare are already major concerns, with nearly six percent of Australians avoiding visiting their GP due to cost. The same report found that Australians are facing an obesity epidemic, with 62.7% of all adults overweight or obese.ⁱ

The overall picture painted by the COAG report is that Australians are in need of preventive health interventions and are in danger of developing long term, chronic and complex conditions. In the same report, for Aboriginal and Torres Strait Islander people, new data indicates that cost is a much more substantial barrier to access than for the population as a whole; in 2012–13:

- more than two out of five (43.9%) of Aboriginal and Torres Strait Islander people aged 15 years and over delayed or did not go to a dental professional due to cost
- one-third (34.6%) delayed or did not fill a prescription and
- one in eight (12.2%) delayed or did not go to a GPⁱⁱ

Chronic illnesses are not better managed by introducing new barriers to discourage contact with the primary health system. Aboriginal people suffer chronic diseases at a significantly higher rate than the non-

Indigenous population and often have poorer health outcomes and lower rates of successful medical intervention and medication management.

The Commission of Audit's Report and this year's Federal Budget are both about encouraging the "efficient health dollar"; and the evidence clearly shows that good preventative care makes good economic sense. However, preventative health and long term economic management of our health system have been placed in grave danger by this Budget.

The evidence clearly shows that increased focus on prevention and appropriate access to primary health care providers for the management of chronic and complex conditions are crucial to better health outcomes. Further measures that have the effect of limiting use of GP services amongst Aboriginal and Torres Strait Islander peoples will undermine health outcomes. The proposed \$7 co-payment measure will work counter to these best practice principles and will, in the long term, increase financial stress on the Australian health system.

We need equality of health outcomes; that is what all sides of Australian politics have committed to.

In March 2008, the Government and then Opposition signed the Statement of Intent, a commitment to work together to achieve equality in health status and life expectancy between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians by the year 2030.

The proposed co-payments will only increase inequality.

Despite Government commitments, the co-payments were proposed in a budget which contains \$534 million in cuts to Indigenous programs over 5 years, including cuts to evidence based lifestyle prevention programs such as tobacco cessation. There is no doubt that should the co-payments take effect, the "Gap" will only widen.

For further information contact

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ⁱ Council of Australian Governments (2014) *Healthcare in Australia 2012-13: Five years of performance*.

ⁱⁱ Council of Australian Governments (2014) *Healthcare in Australia 2012-13: Five years of performance*, p. 50.