



AUSTRALIAN CENTRE FOR HEALTH RESEARCH

## **MEDIA RELEASE**

**Wednesday 15 November, 2006**

### **'Weaknesses place world class health system under threat' says Australian Centre for Health Research**

The Australian Centre for Health Research (ACHR) today released its second report - a discussion paper entitled 'Making Medicare Better'.

The Report, produced by Mr Russell Schneider, follows closely on the ACHR's first research document, which tackled the issue of joint replacement surgery and the performance of prostheses.

ACHR Chairman Mr Alan Castleman says the discussion paper released today makes an important contribution to the debate Australia must have if it is to improve its health system.

"By world standards, we have an excellent health system, but if we are to stay in world class, we must address areas of weakness. Medicare is a central feature of both the public and private health sectors and is in need of review if it is to continue in that role and, hopefully, further strengthen the system.

"The report today is at times provocative and challenging. But it is thoughtful and based on decades of close involvement in, and observation of the health sector. It deserves serious attention and consideration," Mr Castleman said.

The Australian Centre for Health Research was set up late last year by a number of health sector participants including health funds and private hospitals. Leading medical experts are also widely and deeply involved. Through commissioning research, publishing the results and encouraging discussion and debate, the Centre aims to

contribute to the improvement of Australia's dual health system.

Mr Castleman said debate often started within the ACHR itself.

"For instance, not all of ACHR's supporters agreed with everything in Mr Schneider's paper and we expect to conduct workshops or forums in which the issues can be challenged and discussed.

"Health has always been an area with significant differences of opinion about structure and policy. As a result, controversy is never very far away.

"Our Centre supports the combined public/private system and seeks to contribute factual information and ideas to the development of policy. We eschew ideologically based debate" Mr Castleman said.

In the latest paper, author Russell Schneider makes the point that the Australian public health system is excellent but that major reform is needed in both public and private sectors - specifically with Medicare and with private health insurance. Currently, major reforms of the private health insurance law is before parliament.

Dr Michael Wooldridge who chairs the Centre's project committee, in a foreword to the paper points out that Medicare at its birth in the late 60s and early 70s was "born into a world of low healthcare technology" in which there was little discussion of quality of healthcare. He argues that in some ways Medicare has been frozen in time and that it is overdue for overhaul with much greater focus on quality of outputs.

In Mr Schneider's 38-page paper he discusses at length:

- Issues of Medicare and payment for outcomes rather than services,
- The need for major changes to private health insurance,
- The need to change the structure of Health services in hospitals,
- More focus on mental health, technology, incident reporting, power without responsibility, anomalies and perverse incentives and
- The dynamics of the Australian health system.

The ACHR believes the paper is highly informative, somewhat troubling, but also replete with suggestions for many areas of improvement. It is overall a very positive document.

The ACHR inevitably expects a measure of controversy and intends to contribute constructively to the process of policy formulation.

**Further information**

**Sherine Mohamed**  
**Centre Business Coordinator**  
**Australian Centre for Health Research (ACHR)**  
**Ph. 0413 783 010**