

# What is the health service for?

John Menadue

*We need a set of precise principles to underpin and drive health policy in Australia*

It is hard to find any coherent set of principles that guide health policy in Australia. So much is ad hoc, short term, and seemingly born out of political compromise, designed to placate vested interests. Some services are provided free, while others, like dental, receive little government support. Some services are covered by tax-funded insurance through Medicare, but at the same time there are large incentives for, mainly those on high incomes, to opt out of sharing and into private health insurance. Politicians talk of “universalism” and a “commitment to Medicare” while encouraging the development of a two-tier hospital system. Governments, particularly coalition governments, speak vaguely about the importance of markets, but there are few areas of health care in which there is market competition. Labor politicians sing the praises of bulk-billing while supporting high copayments for pharmaceuticals and maintaining the Medicare safety net, which mainly advantages the wealthy.<sup>1</sup>

Overall, it would appear that the health debate in Australia focuses on managerialism without first establishing the values that should underpin and drive a national health service. Fragmentation, inefficiency and waste are important issues, but do we want a well managed and efficient system that lacks guiding values?

Our values are a statement about who we are and what is important in being an Australian. Our values and our national identity are inseparable. Values such as fairness and equal opportunity are widely shared, but for practical purposes, we need to translate these broad values into more precise principles that guide the development of policy and programs.

I believe that there are some key principles, listed below, that should guide health policy design.

- Having a universal single-payer system accessible to all. Poor and rich should have access to the same high-quality health care services. That does not require subsidising inefficient private health insurance companies — a single payer like Medicare would fund both public and private providers. Further, a universal system does not also imply a “free” system.

## Key propositions

- The federal government should outline the principles to inform the work of the National Health and Hospitals Reform Commission and others advising on or implementing national health policy.
  - The federal government should establish an independent and professional “Romanow-type” commission<sup>2</sup> to engage widely with the Australian community on the design principles for health care in Australia. That commission should have an ongoing role to consult with the community and report publicly to the government on whether its health programs are consistent with the agreed principles, and on the effectiveness of health departments and health units in implementing these principles. ◆
- Promoting private and public health care delivery to ensure efficiency and effectiveness, particularly in hospital services.
  - Designing services around patients’ needs, and not the historic interests of health care providers.
  - Fairness through universal taxpayer funding.
  - Giving priority to disease prevention and keeping people healthy.
  - Actively involving the community in setting priorities (eg, Indigenous health and mental health).
  - Achieving technical efficiency so that we obtain the maximum benefit from our limited health care dollars.
  - Subsidiarity, whereby health care is delivered by the most local health unit (eg, primary care) subject to national policies, national funding and national standards.<sup>1</sup>

This is not to say that we should be unsympathetic to governments that have to make pragmatic decisions on the basis of perceived or actual public concerns and the self-interest of health care providers. Governments can only build on what we have at the moment. But in health, as in so many areas, we need some clear principles that provide guidance and discipline in the development of health care.

I suspect that there is widespread agreement, particularly on the principles of universality and equity, but, in a democracy, the only acceptable way to establish and assert principles is serious and continuing community engagement. Political leadership is important in articulating and shaping principles, but, in the end, it is the community's values and principles that matter.

In Canada a decade ago, the federal government established a Royal Commission to conduct a dialogue with citizens, and to make recommendations to the government on an ideal health care service for Canadians. In *Renewing the foundations* (of Canadian health), the Commissioner, Roy Romanow, proposed

a Canadian Health Covenant that expresses Canadians' collective vision for health care and that outlines the responsibilities and entitlements of individual citizens, health providers and governments in regard to the system. We need consensus on why the system exists, what it is intended to achieve and how its component parts should fit together. This is vital to restoring the public's confidence in the system.<sup>2</sup>

In referring to "consensus on why the system exists, [and] what it is intended to achieve", Romanow was, in effect, saying that Canadians needed to agree on the principles that should guide the design of the Canadian health care system. His report underlined the wide support among Canadians for the principle of universality.

In this series of articles on health care reform, Mooney outlines how community engagement can be effective.<sup>3</sup> We must avoid the

tokenism which so often is a feature of community consultation or engagement.

The Australian Government has not spelled out why the Australian health care system exists and what it is intended to achieve. Principles must come before managerialism.

### Competing interests

None identified.

### Author details

**John Menadue**, AO, BEc, Chair of the Centre for Policy Development, and Former Chair of Government Health Enquiries in New South Wales and South Australia

Sydney, NSW.

**Correspondence:** johnmenadue@bigpond.com

### References

- 1 McAuley I, Menadue J. A health policy for Australia: reclaiming universal health care. Sydney: Centre for Policy Development, 2007:10. [http://www.cpd.org.au/sites/cpd/files/AHPFA\\_CPD\\_smallfile\\_0.pdf](http://www.cpd.org.au/sites/cpd/files/AHPFA_CPD_smallfile_0.pdf) (accessed Jun 2008).
- 2 Romanow RJ. *Renewing the foundations*. Statement on the release of the Final Report of the Commission on the Future of Health Care in Canada. Ottawa: National Press Theatre, 28 Nov 2002: 4.
- 3 Mooney GH. The people principle in Australian health care. *Med J Aust* 2008; 189: 171-172. □