



Priorities for a new government: keeping the Medicare promise, thinking beyond services and getting governance right

Health policy priorities should include more than just one-term quick fixes

The present Australian Government was elected with almost no health policy. It presented a small target and basically said “trust us, we’ll be like them” (the outgoing government). However, now that it is governing, it needs to set policies and priorities. Although the opinion polls suggest that re-election for a second term is not assured, good governments should start thinking of second-term issues on Day 1 — the next election is fewer than 1000 days away, and significant policies take more than 3 years to address.

There are three broad areas that warrant priority attention (Box).

A critical electoral priority for the new government is keeping the Medicare promise. The Medibank promise of 40 years ago, reaffirmed with Medicare 30 years ago this year, was that financial barriers to care would be removed, and people would be able to access public hospital care, free at point of service, when they needed it. Both commitments are under challenge, with 14% of the population reporting deferring or not seeking medical care in the past year because of cost,¹ and government-endorsed waiting time targets not being achieved. Although these issues are longstanding, the government needs to set in train processes to tackle more fundamental (and longer-term) issues, such as improving the interface between primary care and hospital care and improving mental health care.

Given the fiscal pressure the government is under, it will only be able to keep the Medicare promise if the health sector is vigilant about increasing efficiency and eliminating waste. Health costs are predicted to consume



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another 3% of gross domestic product over the next two decades, increasing from around 9% to over 12%.² Hospital care is the fastest growing area of government expenditure,³ leading to claims that the health system is “unsustainable”. Of course, sustainability is an issue of priorities and potential alternative uses of resources. Nevertheless, addressing waste in the health system and ensuring that the skills of all health workers are used to their fullest needs to be an important early agenda.⁴⁻⁵

Health policy should be about more than health services, and the government (not just the health minister) needs to advance the agenda for illness prevention and health improvement. There are no quick fixes here, and the evidence base for what works is weak. The first-term agenda might thus best be developing the evidence for a longer-term agenda. An effective health strategy will go well beyond the same mix we’ve had for decades, using interventions of all types (legislative, taxation as well as social media) to address “causes of causes”. Critical issues include addressing social determinants of health (and responding to the all-party Senate committee report⁶) and Indigenous health.

There are also foundational issues to be addressed. The National Health and Hospitals Reform Commission recognised the importance of getting system governance right — to ensure there are functioning national agencies, not just federal–state forums paralysed by processes.⁷ The previous government’s response was an alphabet soup of new agencies, many of which are still finding their feet. Although some rationalisation of these is feasible, ensuring good system governance for truly national issues remains a priority. Other structural issues include improving access to data to facilitate research and evaluation,⁸ getting better value from the research dollar,⁹

Health policy issues for the Abbott government

Issue	First-term agenda	(Potential) Second-term agenda
Keeping the Medicare promise	<ul style="list-style-type: none"> Address out-of-pocket expenses Work with states on hospital access Cut waste Reform the workforce 	<ul style="list-style-type: none"> Improve the interface between primary and secondary care Reform mental health
Beyond services	<ul style="list-style-type: none"> Develop the evidence <ul style="list-style-type: none"> Tackle Indigenous health Develop supportive communities Address the social determinants of health 	<ul style="list-style-type: none"> Implement evidence-based prevention and remediation strategies nationally
Managing the system	<ul style="list-style-type: none"> Clarify the structure (both national agencies and primary care system roles, including the future of Medicare Locals) Improve access to data for accountability and evaluation Revitalise research Facilitate a “continuous learning health system” 	<ul style="list-style-type: none"> Build architecture for data on health outcomes

and using existing routine data to drive improvement in care in hospitals.¹⁰

Health care is replete with “wicked problems” — those that involve incomplete or contradictory knowledge and opinions, affect a lot of people and cost a lot to fix.¹¹ Typically, solving them may create other problems, or at least impact on other, interconnected issues. This means that there are rarely easy answers and quick fixes. Good health policy thus stretches over multiple parliamentary terms, and should involve an acknowledgement that there is a lack of knowledge about what needs to be done. Policy experimentation may be required.

Acknowledging such difficulties and uncertainties in developing good health policy is a hard thing for leaders to do in the parliamentary bear pit. Although bipartisan reform may be too much to hope for, we can at least hope for recognition that a development path for policy is required.

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