



What is Medicare?

Medicare is Australia's universal health insurance scheme

It was introduced by the Hawke government in 1984 to ensure that all Australians have access to medical and hospital care when they need it.

Medicare's predecessor Medibank had been introduced by the Whitlam government in the 1970s for the same reason, however this scheme was so undermined during the Fraser government years that it really remained in name only.

And so the new universal tax payer funded health insurance scheme Medicare was born.

Medicare is based on several key principles:

- ✓ **Universality.** All people have the same access to health care
- ✓ **Access.** Access to care is based on health needs not ability to pay
- ✓ **Equity.** Funding is provided through the general taxation system including a Medicare Levy based on income, and there is no or little cost at point of service
- ✓ **Efficiency.** Administrative costs and overheads are kept low: collecting funds through the taxation system (rather than individual payment at point of service), bulk billing and limited advertising
- ✓ **Simplicity.** No complicated insurance plans and easy claims process.

What does Medicare cover?

Medicare provides benefits for all Australians both for out of hospital and in hospital health services.

Medicare funds out of hospital medical services, pathology, optometry and X-ray and in hospital services including a right to be treated in a public hospital as a public patient.

Private patients in private or public hospitals also receive 75% of the Medicare Schedule Fee for medical services provided.

How does Medicare work?

The federal government sets guidelines for the cost of medical and other services known as Schedule Fees.

Medicare pays 85% of the Schedule Fee for out of hospital services and 75% of the fee for in-hospital services provided by doctors.

Doctors may choose to bulk bill patients so there is no out of pocket expense for their patient.

This saves administrative time and effort and doctors are guaranteed an income and do not need to chase up bad debts.

About 77% of doctors in Australia currently bulk bill.

How is Medicare under threat?

The Abbott Government wants to introduce a \$7 co-payment fee for GP visits.

If this were to occur, universal healthcare would cease to exist and the erosion of Medicare would begin.

It's believed the co-payment would be the first step to introducing fees for access to a range of medical specialists. ■