Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

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MINISTERIAL STATEMENT

Public Hospitals

Hon. PD BEATTIE (Brisbane Central—ALP) (Premier) (9.42 am): Our public hospital system will remain free for Queenslanders regardless of their income or age. Today I can inform the House that my government will not introduce any further copayments or means testing for public patients. Following Peter Forster's recommendation and in line with our health action plan, we appointed at the beginning of the year the Allen Consulting Group to independently examine a range of options to increase Queensland Health's revenue so that we can spend more money on patient care.

We wanted this report because Mr Forster in his Queensland Health Systems Review suggested that we had been overly generous in many areas for many years. He said that if Queensland Health was to collect patient revenue at the same rate as the average of the other states and territories we could pump an extra $115 million a year into our core business—treating and caring for sick and injured Queenslanders.

Detailed analysis in the health economist report does not support Mr Forster's view that Queensland significantly underrecovers revenue from patients. On further examination, the revenue reports by each state are not comparable, meaning that it is possible to raise an extra $115 million a year. Notwithstanding this, we believe that we can build the best health system in Australia without means testing or further copayments. Queensland has the best economy and the best balance sheet in Australia—strong enough to pour an extra $6.4 billion into our health action plan over the next five years. That is the biggest single injection of funds on record.

The review looked at the implications of introducing means testing and new copayments for certain patients and services such as public hospital admission, outpatient appointments, subsidy schemes, dental services and Queensland's unique safety net for pharmaceuticals. The options detailed in the report bring into sharp focus the challenge of funding free public health services in a large, decentralised state such as Queensland. The health sector is characterised by increasing demand and costs arising from an ageing and growing population and advances in medical technology, service quality and community expectations.

The options explored in the report are contentious, but it was important to investigate all the possibilities. There is no point having a report unless we examine and consider its recommendations. Our action plan commits my government to spend every cent of any extra revenue collected through these measures on health services.

The Allen Consulting Group made a number of findings. Firstly, implementing further copayments and means testing to public hospital admissions and outpatient services would likely incur significant penalties for breaching the Australian Health Care Agreement. The federal government has the power to strip up to $650 million away from Queensland for breaches. This measure would have resulted in a net loss of revenue to Queensland Health.

Secondly, introducing means testing to adult dental services, the Medical Aids Subsidy Scheme and the Spectacle Supply Scheme would effectively exclude holders of a Seniors Card and would only achieve very modest revenue gains anyway. Because the only practical way to introduce means testing is to model

it on the Commonwealth's concession card scheme, we would force out many seniors such as self-funded retirees who do not qualify for a concession card.

Thirdly, introducing copayments for adult dental services and the Spectacle Supply Scheme would generate some additional revenue but only after high administration costs were incurred. In other words, it was not worthwhile. These options do not stack up. Cabinet has decided not to pursue them.

In addition, despite the report mounting a case to abolish it, my government will maintain Queensland's unique safety net scheme for pharmaceuticals. We are the only state to provide a safety net for patients who purchase four or more items of pharmaceuticals from each public hospital visit and we are going to keep it that way. Nor will we increase indexation on health fees and charges as foreshadowed last year.

My government has shown that it is willing and able to make the tough decisions on health. We have been at the forefront of significant reforms in the absence of any national leadership. The health minister, Stephen Robertson, and I have been at pains in recent months to detail our new reforms and initiatives as they develop and roll out as part of the health action plan.

Out of this report, Queenslanders will see more action from my government to ensure that Queensland Health is giving Queenslanders the best possible care. We will be taking steps to further strengthen Queensland Health by increasing our efforts to educate public health patients with private health insurance about their options to use their private health insurance. Treating private patients in public hospitals is important to support our investment in providing a specialist workforce and to ensure that Queensland gets a fair share of private health funding.

The report notes that, while there is a private health sector in Queensland, more than $5 million in revenue could be gained if more patients with private health insurance opt for private admission in public hospitals. It identifies opportunities where patients in emergency departments are currently less likely to opt for private treatment. Queensland Health will use more educational techniques to maximise the number of patients who use their private cover. However, we will not be trying to attract more private patients to our busy health system. We are simply trying to get those who are currently using it as public patients to become private patients in a public hospital system so we can then recover that money. We are just ensuring that those who have private health insurance have thought about their options to use it.

I believe that the Royal Brisbane and Women's Hospital is a very good success story in this area. It alone has raised $1.3 million so far this financial year through its educational strategy, which has equated to nearly 1,500 occasions of service. It has already eclipsed the revenue raised in the previous full year of $1.16 million.

A number of public hospitals have followed the Royal Brisbane's lead and appointed information officers to liaise with patients with private cover about their treatment options. Patients then choose how they would like to be treated. I want to make this very clear to members of the House: this measure does not breach any of our obligations in the Australian Health Care Agreement, the AHCA. Patients are not and will not be forced to use their private health insurance. We will take up a similar suggestion in the report in relation to outpatient services. We will promote more private sector contributions by developing strategies that educate people about their choice to be treated as a public or private patient.

Once again, we will do this without breaching the healthcare agreement. We will also attempt to spearhead joint state-territory efforts to reform the provision of outpatient services in Australia. The report noted Queensland Health's significant spending on outpatient services of $1.2 billion in 2004-05 and found that we have one of the highest volumes of outpatient services per capita in the country. We know why that is the case: there are not enough GPs. But it states on page 40—

There is a need to promote national reform of outpatient service delivery. Current arrangements for outpatient services under the AHCA are not a smart way to deliver $1.2 billion worth of services a year.

It goes on to say that any reforms should achieve improved health outcomes and more efficient use of medical professionals' time both in public hospitals and the private sector. Queensland will take a leadership role in fostering a public debate among consumers and professionals across the country about what services should continue to be provided in public hospitals.

Finally, my government is seriously looking at our options for compulsorily recovering hospital and treatment charges from patients who receive an amount of compensation or a damages payout for an injury or illness. These changes do not represent a huge shake-up, but they are important if we want Queensland Health to be sensible in how it delivers services and spends its money. I table a copy of the health economist report for Queensland for the information of all members of the House.