Medicare – a systems failure

Joachim Sturmberg, MBBS, DipRACOG, MFM, PhD, FRACGP, is Clinical Associate Professor of General Practice, Monash University, Melbourne, Victoria.

Medicare was implemented to guarantee every Australian access to health care.[1] Set up as an insurance fund, it guaranteed patients a minimum refund for a service; the decision for this refund to be accepted as full payment though was a political one.[1]

The crisis of Medicare

For some, the sole problem with Medicare is money – a simplistic linear view. The crisis with Medicare is merely a leading symptom of a complex societal illness. Those who understand systems are well aware that the interconnectedness of its elements means they operate in a state far from equilibrium. There are no certainties to predict its long term behaviour. Systems are always at risk of behaving unpredictably, and it is well documented that many collapse due to the impact of a supposedly unimportant minor event.[2] Factors adversely influencing health care needs and hence demands on the system include among others:

- rationalist economic policies which value profits above all
- employment policies which demand over commitment and at the same time establish job insecurity
- education policies which provide training rather than education at an unacceptable cost and which often do not provide long term job prospects
- social service policies which offer too little too late for those who require them
- criminal and justice policies which are popularist but perpetuate antisocial behaviour rather than rehabilitation
- environmental policies which allow pollution to increase to the detriment of the human living space, and
- infrastructure policies which demand excessive commuting for those in work and neglect the development of social infrastructure for those living in 'the new ghettos'.

Specific factors within the health service area that poisoned Medicare include the:

- tacit support of medical litigation that paved the way for the collapse of the mutual medical indemnity funds and it's still unresolved long term implications
- so-called 'over supply' of doctors has stretched the workforce to its limit, especially in areas with an already high patient-doctor ratio
- systematic under funding of Medicare, particularly for general practice, has threatened the financial viability of the discipline, destroyed workforce morale and compounded the already dwindling interest in this most important part of the health sector
- increased bureaucratic demands – accreditation, red tape associated with the practice incentive program, introduction of disease management – has failed to safeguard the viability of private practice (and even big business is starting to give up on 'this business opportunity'), and
- belief and the implicit reliance in technology has exponentially increased cost for at best marginal improvements in individual and population health outcomes.

This (though incomplete) analysis would strongly suggest the Medicare system is indeed in a state of collapse. Saving Medicare, when viewed from a systems perspective, turns out to be an oxymoron. Systems have emergent properties – they continuously evolve dependent on their 'initial condition'. The recent proposals from both sides of politics to save Medicare have failed to understand the current condition of the system; hence the proposed changes – affecting essentially only one element – are simply not going to stabilise a system in decline.

Developing a new system

Before thinking about redeveloping the health care system a most fundamental question has to be answered – is health a public good, or a commodity? If basic health care is an accepted right, universal access to health care has to be guaranteed.

- Evidence would suggest that a well functioning stratified health system based on a well resourced primary care sector leads to a cost effective system that achieves the best health status for individuals and the community[3]
- In almost all western countries health services follow the inverse care law[4], ie. those healthiest receive most of the care, and those in poorest health receive the least, calling for a re-allocation of resources
- The decline in health is affected by the economic rationalist policies that have increased socioeconomic inequalities and undermined our social capital[5]
- Health status and health care needs are markedly influenced by employment, social, education, judicial, environmental and other policies.

Effective health care demands appropriate resource allocation independent of political persuasion.

- Infrastructure and workforce resources require an even distribution across the community.
- Work with sicker and disadvantaged populations is more demanding, hence the need for a lower patient-doctor ratio and ready access to integrated interdisciplinary services
- It needs to be examined if a fee-for-service model is the most effective form of remuneration of health care providers
- It is clearly unsustainable to continue under valuing the consultation and over

valuing investigative and technology driven services. The real production of medical care occurs in the consultation,[6] where decisions are taken that determine whether people become patients who consume investigations, medical and surgical interventions and medications
- Paying adequately for the time and care spent in consultations is the greatest cost saving initiative.

Safeguarding a new Medicare

Building a new Medicare based on an understanding of the complexities of health must be based on three 'initial conditions' - a commitment to health, a commitment to the patient, and a commitment to equity.

- A new Medicare in the first instance requires a philosophical shift - a commitment to health, rather than a commitment to fixing disease
- A new Medicare focussed on health care – rather than disease care – requires a commitment to and an appreciation of the uniqueness of each patient. Based on this insight integrated approaches addressing all factors impacting on a patient's health are required to achieve good health at an affordable cost
- A new Medicare requires a commitment to a mutually acceptable community contract that guarantees universal and equitable access to health care at an affordable cost.

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Correspondence
Email: jp.sturmberg@bigpond.com