COUNTRY UPDATE – ORGANISATION OF THE HEALTH CARE SYSTEM IN AUSTRALIA

1. Organisation

Briefly outline the structural provision of health care.

The Australian health system is complex, with many types and providers of services and a range of funding and regulatory mechanisms. Those who provide services include medical practitioners, other health professionals, hospitals and other government and non-government agencies. Funding is provided by the Commonwealth Government, State and Territory Governments, health insurers, individual Australians and a range of other sources.

The Commonwealth Government's funding includes two national subsidy schemes, Medicare and the Pharmaceutical Benefits Scheme. These schemes cover all Australians and subsidise their payments for medical services and for a high proportion of prescription medications bought from pharmacies. The Commonwealth and State/Territory governments also jointly fund public hospital services so they are free of charge to patients. Between them, these funding provisions aim to give all Australians, regardless of their personal circumstances, access to adequate health care at an affordable cost or no cost.

Many patients' first contact with the health system is through a general medical practitioner (GP). Patients can choose their own GP and are reimbursed for all or part of the GPs fee by Medicare, depending on the GPs billing arrangements. For specialised medical care patients can be referred by a GP to specialist medical practitioners, other health professionals, hospitals and community-based healthcare organisations. Australians also visit dentists and other private sector health professionals of their choice. Charges are met by the patients themselves, or with support of private health insurance, which Australians may purchase for these or hospital services.

Patients can access public hospitals through emergency departments, where they may present on their own initiative, or via the ambulance services, or after referral from a medical practitioner. Admitted patients are charged nothing for their treatment, food and accommodation, unless they choose private treatment. Emergency department and outpatient services are free.

Australians may choose to be private patients in hospital, if they use a private hospital, or choose to be treated as a private patient in a public hospital. Private patients can choose their own doctor. The hospital's services must be paid for by the patient or, for members, with the support of their private health insurance fund. Medicare subsidises the fees charged by doctors for services provided to private patients in hospitals, and private health insurance funds also contribute towards medical fees for insured patients.

The health service system is regulated in various ways. Private hospitals are licensed by State/Territory Governments. Medical practitioners and other health professionals are registered for practise in each State/Territory.

In addition to the services outlined above, the Commonwealth, State and Territory Governments and local governments provide public health services, community health services and ambulance services.

2. Finance

Please note that the information provided is the most current available.

2.1 Aggregate spending on health care (total and public and private separately) as a percentage of Gross Domestic Product

Australian Health Care Spending

Year	Total Health Services Expenditure $(AUS)bn	Ratio of Health Expenditure to GDP %	Commonwealth Government share %	State/Territory and Local governments %	Non-government share %
1994-95	38.967	8.2	45.0	21.7	33.3
1995-96	41.783	8.2	45.5	22.2	32.4
1996-97	44.851	8.4	44.2	23.0	32.8
1997-98	47.648	8.4	45.4	23.9	30.7
1998-99	51.011	8.6	46.8	23.2	29.9
1999-00	53.657	8.5	48.0	23.2	28.8

Source: Australia's Health 2002

2.2 Per capita spending on health care (public and private, and separately) in local currency and in $US, recording the exchange rate

Per-capita health care spending

Year	Per capita spending $(AUS)*	Per-capita spending $(US)**
1994-95	2,170	1,404
1995-96	2,296	1,485
1996-97	2,434	1,574
1997-98	2,557	1,654
1998-99	2,706	1,750
1999-00	2,817	1,822

* current prices

**exchange rate 0.6468

Source: Australia's Health 2002

2.3 Breakdown of spending by categories of total health expenditures (hospitals, drugs, physicians, other health professionals, etc)

Breakdown of 1998-99 spending

Service type	Government spending $(AUS)m	Non-government spending $(AUS)m
Total Hospital	14,071	3,960
Public non-psychiatric	12,784	891
Public psychiatric	376	21
Private	911	3,048
High care residential aged	3,255	811
Medical services	7,372	1,628
Other professional	232	1,628
Pharmaceutical	3,092	2,727
Community/public health	2,654	161
Dental	408	2,157
Capital	2,521	1,009
All other	1,813	1,511
Total	**35,418**	**15,592**

Source: Australia's Health 2002

2.4 Method(s) of remuneration of physicians and other health professionals (where relevant)

Staff Remuneration

Physician remuneration in Australia is complex and varies between settings, location and speciality.

Most doctors in Australia receive for-service (FFS) payments from the Commonwealth Government in the form of Medicare rebates. This forms the majority of revenue for the majority of primary care physicians and specialists in private practice.

Qualified specialists working in both public and private hospitals receive FFS payments in respect of private patients. Public hospitals also pay salaries to specialists in respect of the public patients they treat in the hospital.

Fully salaried positions are most commonly used in hospital training positions (including interns, hospital medical officers, career medical officers, and registrars or specialist trainees), and rural primary care posts such as Aboriginal Health Services, and the Royal Flying Doctor Service.

Primary Care – Ambulatory
The great majority of primary care physicians in Australia are remunerated via fee-for-service (FFS) payments from the Commonwealth Government in the form of Medicare rebates.

In other cases, primary care physicians are employed on a salary basis by the practice, or by services such as Aboriginal Health Services, educational institutions, acute care hospitals and the Royal Flying Doctor Service.

Rural GPs often have contract arrangements with local hospitals to provide services, including procedural services, on a part time basis.

Many primary care physicians receive a small proportion of their revenue in the form of blended payments from various government incentive schemes which reward specific outcomes or behaviours.

Specialist Physicians – Ambulatory
FFS income (comprised of Medicare rebates and patient co-payments) accounts for the bulk of remuneration of specialists in ambulatory settings

Physicians – Public Hospitals
The public hospital medical workforce in Australia is complex and remunerated in different ways. A number of types of physician are fully salaried, including interns, hospital medical officers, career medical officers, and registrars (specialist trainees).

Qualified specialists commonly remunerated through a combination of salary from the public hospital (for treating public patients) and FFS payments from private patients they treat (in the public hospitals).

Physicians – Private Hospitals
Remuneration of physicians in private hospitals varies. A proportion have what is broadly described as "visiting rights", through which they receive FFS payments (comprised of the same components as FFS payments in public hospitals). Others are salaried or contracted on a part- or full-time basis.

Nurses and allied health professionals are largely salaried staff working in public hospital or public health settings. Some allied health professions (eg physiotherapy) have larger private fee for service sectors and may attract private health insurance rebates.

2.5 Recent rate of growth of expenditure on health care and/or announced changes in future government spending. Please quantify its causes and uses

Growth in Expenditure – 1989-90 to 1999-00.

During the 1990s real growth in health expenditure averaged 4.0% per annum. Annual growth rates ranged from 2.2% to 5.5%. There was slower growth in the early nineties and a period of higher growth rates during the middle of the decade.

Areas of most rapid growth were pharmaceuticals at 7.5% p.a. followed by private hospitals at 7.4% p.a. Medical services grew at a rate of 4.5% p.a. and public hospital costs by 2.9%p.a.

Rebates paid to private health insurance members since 1997 has created a shift in expenditure from non-government sources to Commonwealth Government sources.

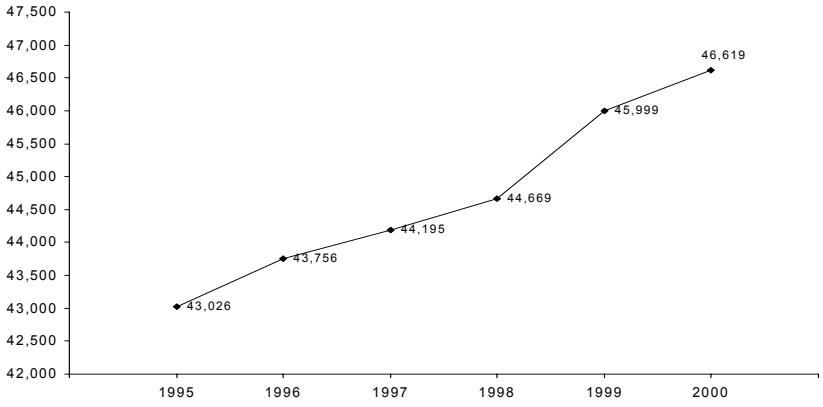
Economic Growth forecast

Year	Forecast in GDP Growth %
2003-04	3.25
2004-05	3.5
2005-06	3.5

Source: 2003-04 Federal Budget

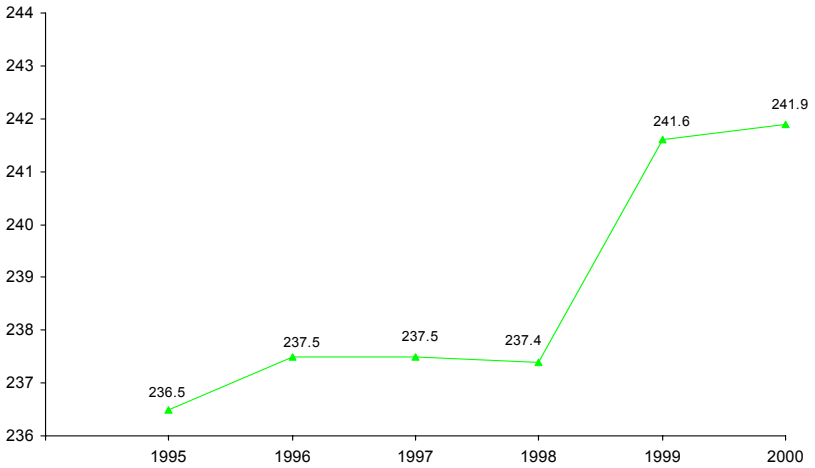
3. Provision

Figure 1: Employed clinicians, Australia 1995-2000



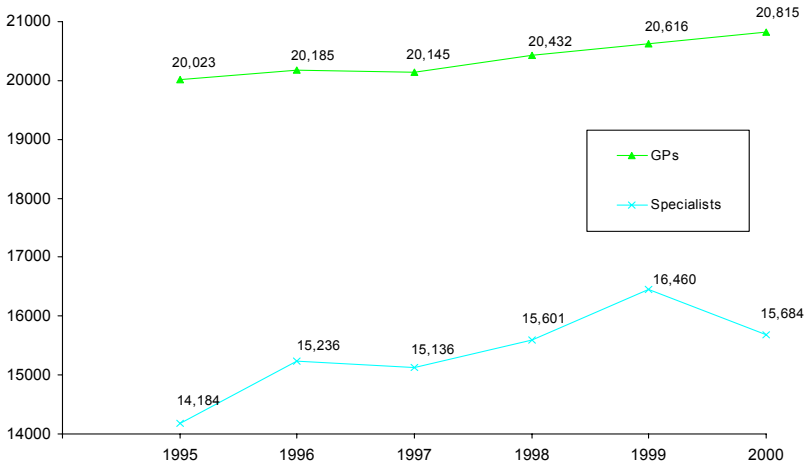
Source: AIHW Medical Labour Force Survey

Figure 2: Employed clinicians, per 100,000 population, Australia, 1995-2000



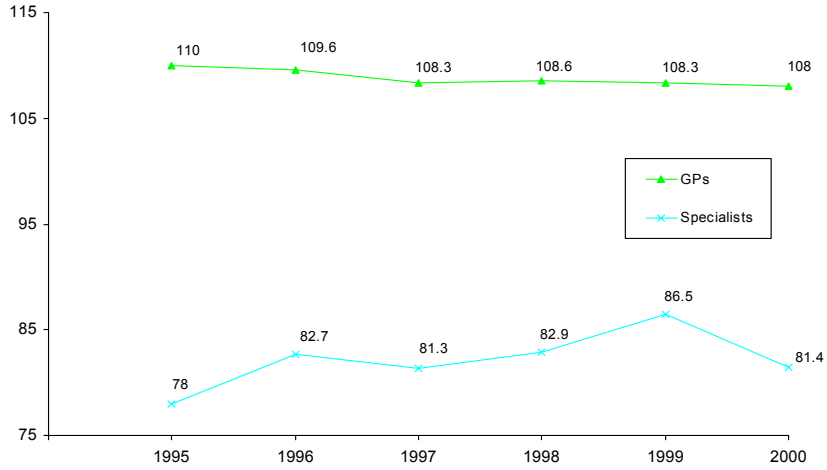
Source: AIHW Medical Labour Force Survey

Figure 3: General practitioners and specialists, Australia, 1995-2000



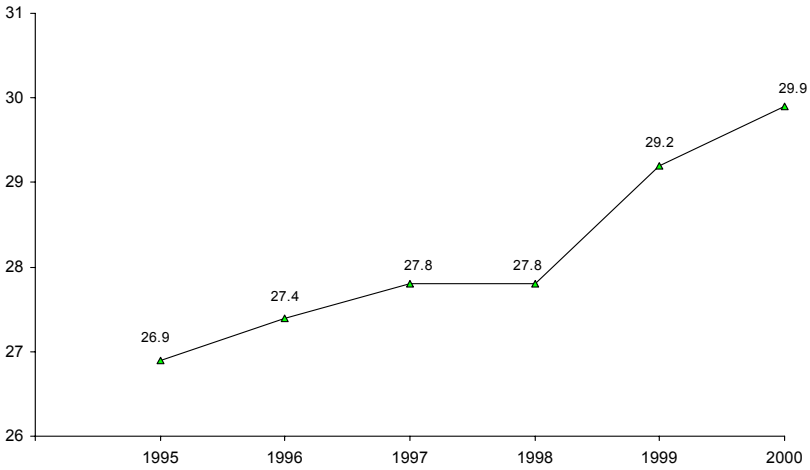
Source: AIHW Medical Labour Force Survey

Figure 4: General practitioners and specialists, per 100,000 population, Australia, 1995-2000



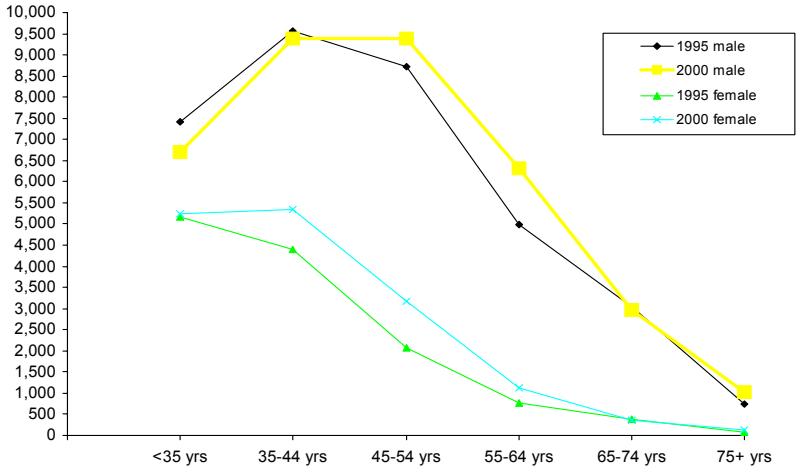
Source: AIHW Medical Labour Force Survey

Figure 5: Clinicians, % female, Australia, 1995-2000



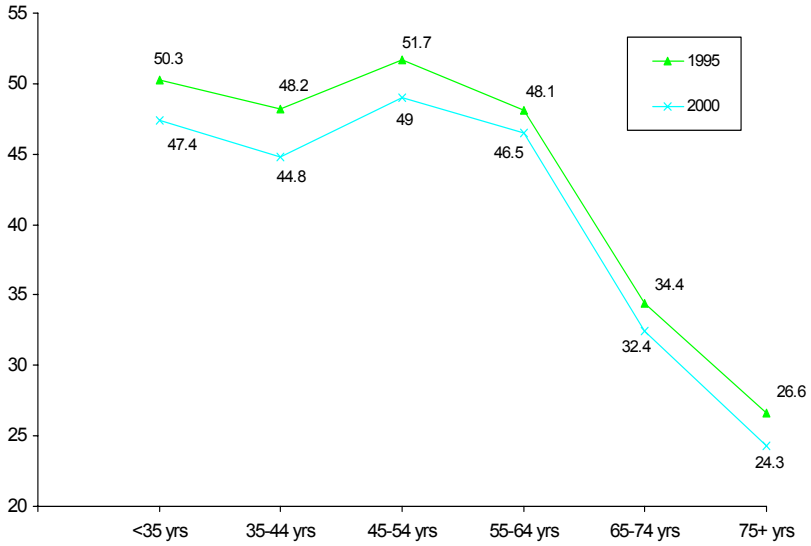
Source: AIHW Medical Labour Force Survey

Figure 6: Clinicians, by age and gender, Australia, 1995 and 2000



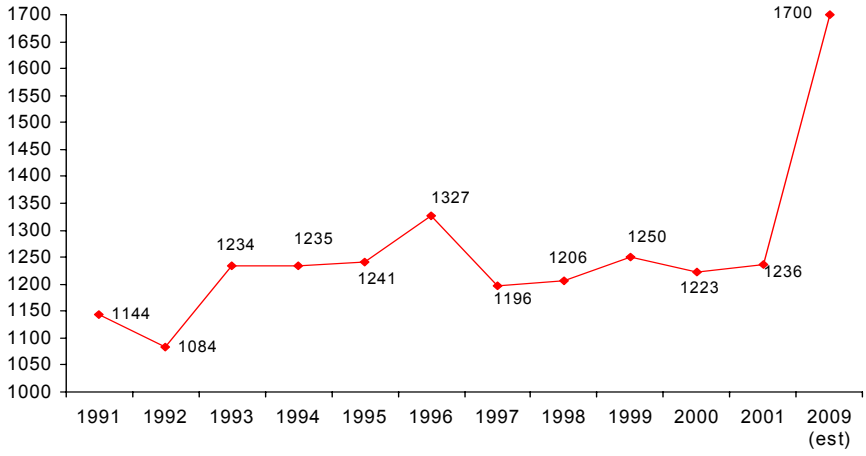
Source: AIHW Medical Labour Force Survey

Figure 7: Clinicians, average hours worked, by age, Australia, 1995-2000



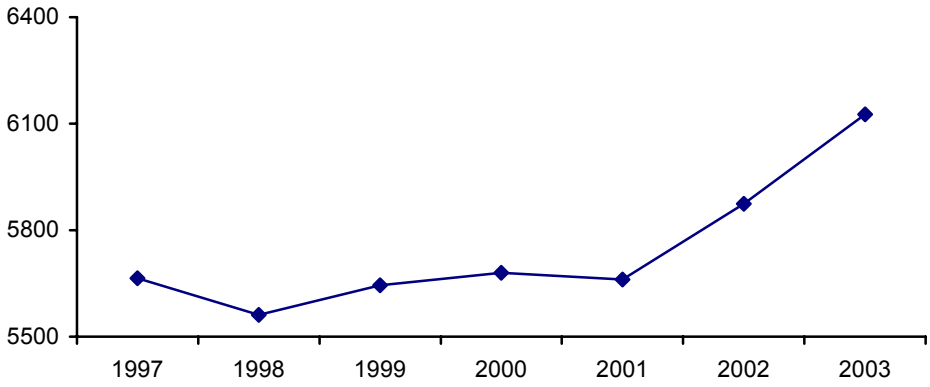
Source: AIHW Medical Labour Force Survey

Figure 8: University medical school completions, Australian citizens and permanent residents, 1991-2001 and 2009 (estimate)



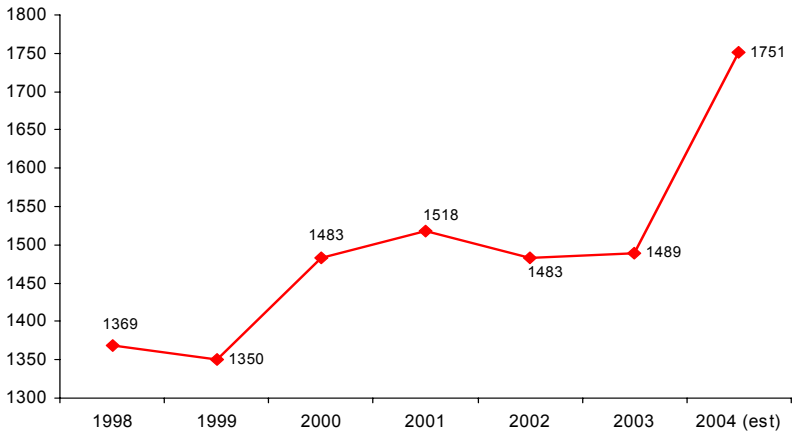
Source: AIHW, DEST, Australian Medical Schools

Figure 9: Vocational training positions/trainees, Australia, 1997-2003



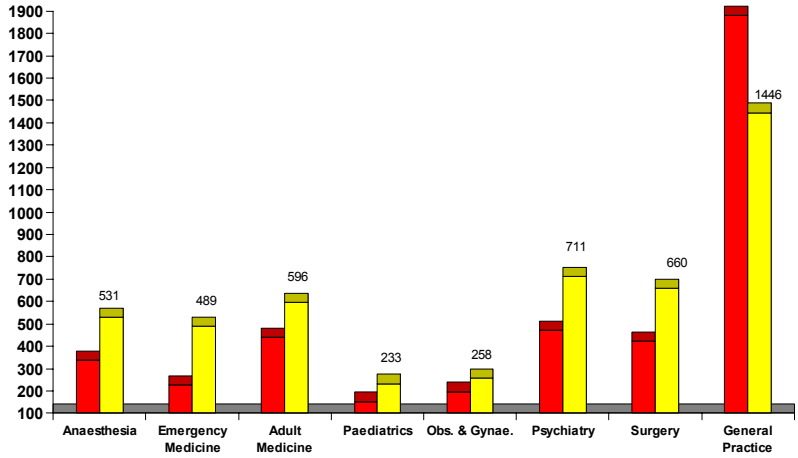
Source: AMWAC, medical colleges, GPET and GPEA

Figure 10: 1st year vocational training placements, Australia, 1998-2004



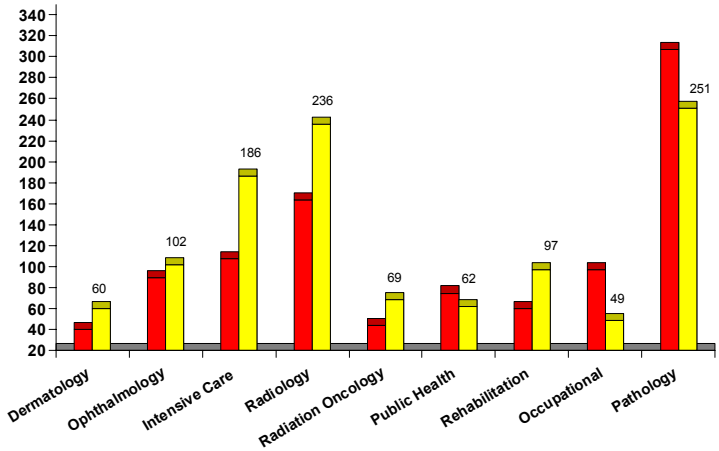
Source: AMWAC and Medical Colleges from MTRP Annual Reports

Figure 11: Vocational trainees, by training program, Australia, 1994 and 2003



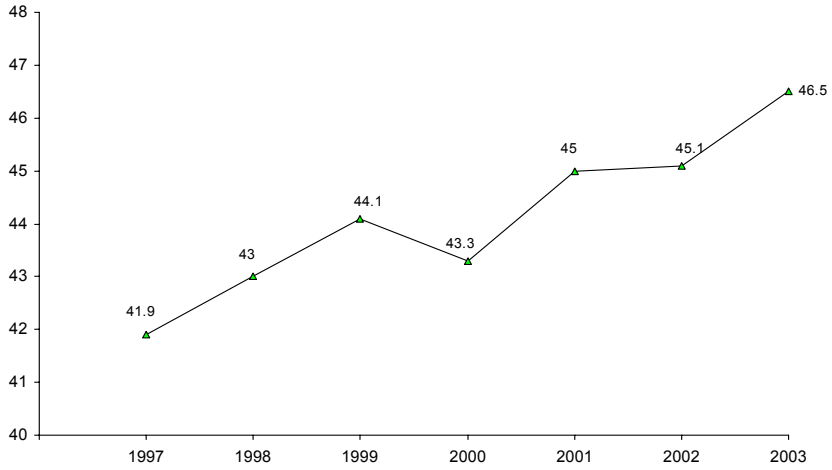
Source: 1994 (MWDRC), 2003 (AMWAC & MTRP)

Figure 12: Vocational trainees, by training program, Australia, 1994 and 2003 (continued)



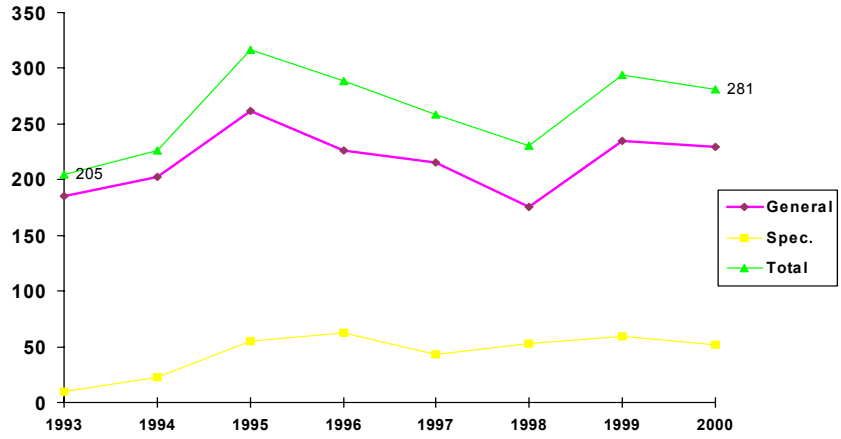
Source: 1994 (MWDRC), 2003 (AMWAC & MTRP)

Figure 13: Vocational trainees, % female, Australia, 1997-2003



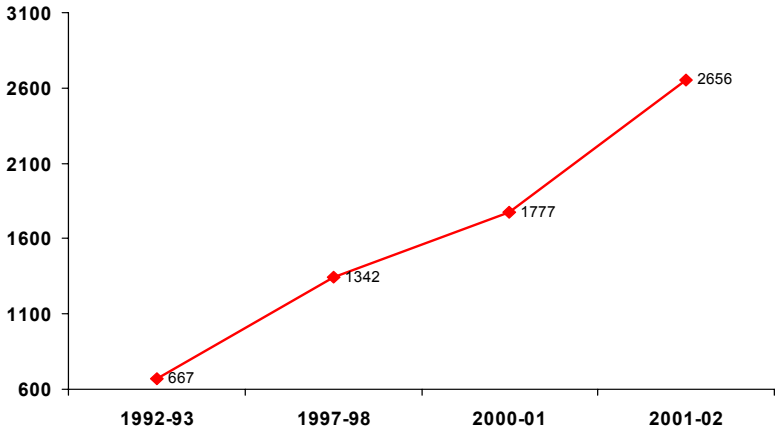
Source: AIHW Medical Labour Force Survey

Figure 14: Australian Medical Council passes, 1993-2000



Source: AMC

Figure 15: Temporary resident doctor arrivals, Australia, 1992-2002 (area of need and occupational trainee stock as at 30 June)



Source: AMWAC & DIMIA