

Australia Dossier by Robert Barwick

Bailing out insurance companies

Billions in taxes go to private health insurance funds, while patients die in the collapsed public system.

The notorious collapse of Australia's public health system is accelerating, with waiting lists at record levels, and the emergency departments in some of the nation's biggest hospitals forced to shut down for up to ten hours a day because there are no beds. Rather than fix the collapsing public health system, the federal government is trying to shift more patients into private hospitals, by subsidizing private health insurance.

The government's latest scheme, a 30% tax rebate for those taking out private health insurance, demonstrates the insanity of this approach. The subsidy has grown to \$2.2 billion, which the medical profession has slammed as a handout to the private health insurance funds, and which, if spent on the public system, would halve existing waiting lists, saving lives. "The real cost of the federal government's private health insurance subsidy blowout will be borne by patients who will suffer and even die on public hospital waiting lists," Dr. Con Costa, the national vice president of the Doctors Reform Society, told *The Australian* on Feb. 9.

Suffering and dying patients stuck on record-long waiting lists is the reality. In Australia's largest state, New South Wales (N.S.W.), where the crisis is most acute, emergency room shutdowns, service delays, preventable and accidental deaths, hospital infections, and rural doctor and ambulance shortages are the symptoms of a public health system which is being killed through lack of funding.

More than 50,000 people were on the state's public hospital waiting lists last November, just shy of the record 51,000 set in February 1998. The No-

vember record came despite 12 months in which the supposed relief measure (the tax rebate) was in effect, and despite the normal seasonal drop-off in demand. The elective surgery waiting list had nearly doubled compared to the same period the previous year.

Freedom of Information figures released by the N.S.W. political opposition on Jan. 30, showed that for July through November, there was an 80% increase in the hours that Sydney's overburdened hospitals had been forced to close their emergency departments and divert ambulances, compared to the same period in 1998. The Westmead Hospital was forced to impose shutdowns of up to ten hours per day in September, a 500% increase. Hospitals report that the action was taken when there was "an overwhelming workload," and doctors believe that patient care could be affected. But, Westmead's Dr. Rob Dowsett admits that the shutdowns themselves create "a dangerous situation."

The huge burden on the system has also seen a rise in accidental death and injury in hospitals. Since 1995, when the problem was first raised in federal parliament, 42,000 people have died from "preventable mishaps" in Australian hospitals. Craig Thomson of the N.S.W. Health and Research Employees' Association told the *Sydney Morning Herald* on Feb. 15 that acute staff shortfalls have led to fatal mistakes, and that staff and budget cuts had increased since 1995. "If anything, the situation has got worse," he said.

Hospitals have become overcrowded and a breeding ground for nosocomial infections. A spokesman

for Newcastle's Mater Hospital, which has reduced beds from 200 in 1993 to 121 today, and closed detoxification beds for all but emergency overdose cases, reported, "The admissions ward is like something out of Victorian England. Patients are so close together you can't pull a curtain around to ensure privacy." On Jan. 22, it was revealed that Sydney's Royal Prince Alfred Hospital was suffering an outbreak of the deadly vancomycin-resistant enterococcus bacteria, which is easily spread if staff simply forget to wash their hands, and which doctors regard as more difficult to treat than golden staph infection.

N.S.W. rural areas are even worse off, afflicted by acute doctor and ambulance shortages. In the areas worst hit, there are almost 2,000 patients for every full-time doctor, compared to less than 750 in the best areas of Sydney, meaning that just 71% of rural patients can see their doctor when they want. Similarly with ambulances. In early February, a man in the town of Bowral died of a heart attack while waiting for an ambulance to come from 45 kilometers away, even though two ambulance officers were on call from a station just one kilometer from the man's retirement home. The state opposition claimed the more distant ambulance had been sent simply to save \$260 in overtime payments to the closer officers. The ambulance officers union is demanding a minimum of 108 extra officers for country areas in N.S.W. to relieve the shortage.

While allowing patients to die in the public health system, the 30% tax rebate for private insurance has kept the private health industry alive, by stopping the decade-long hemorrhaging in private health fund memberships. On Feb. 8, Australian Democrat Party leader Meg Lees denounced the scheme as a "blank check to the private health insurance industry."