CHAPTER 6

Health care in Australia

WHY IS THIS IMPORTANT?
Australia’s health system plays an important role in influencing the health outcomes of all Australians. Many health initiatives are delivered through the health system. All levels of government, as well as the private sector, play a role in delivering health care to the population.

KEY KNOWLEDGE
2.0 Models of health and health promotion including:
• biomedical model of health (pages 000–000)
• social model of health (pages 000–000)
• the Ottawa Charter for Health Promotion (pages 000–000)
2.1 The role of VicHealth in promoting health including:
• the mission and strategic priorities of VicHealth
• potential health outcomes of a VicHealth-funded project and how it reflects the social model of health (pages 000–000)
2.2 Australia’s health system including:
• local, state and federal governments’ responsibilities for health and health funding (pages 000–000, 000–000)
• the values that underpin the Australian health system (pages 000–000)
• Medicare, Pharmaceutical Benefits Scheme (PBS) and private health insurance (pages 000–000, 000–000)

KEY SKILLS
• Analyse the different models of health and health promotion (pages 000, 000, 000).
• Identify and explain key components of Australia’s health system (pages 000–000, 000, 000, 000).
• Describe the role of VicHealth including the mission and strategic priorities (pages 000, 000).
• Identify the principles of the social model of health evident in a VicHealth project (pages 000, 000).
KEY TERM DEFINITIONS

biomedical model of health  focusses on the physical or biological aspects of disease and illness. It is a medical model of care practised by doctors and health professionals and is associated with the diagnosis, cure and treatment of disease.

bulk-billing  when the doctor or specialist charges only the schedule fee. The payment is claimed directly from Medicare so there are no out-of-pocket expenses for the patient.

community-based care  health care that takes place as a day attendance at a health care facility or in the patient’s home. Community-based care is considered an alternative to hospital admission.

cosmetic surgery  the payment made by the consumer for health products or services in addition to the amount paid by the government.

income test  a determination of whether an individual or family is eligible for government assistance based on their level of income.

intersectoral collaboration  having groups from many sectors (such as government, health and the private sector) working together to achieve a common goal.

legislation  relates to a law.

Ottawa Charter for Health Promotion  an approach to health development by the World Health Organization that attempts to reduce inequalities in health. The Ottawa Charter for Health Promotion was developed from the social model of health and defines health promotion as ‘the process of enabling people to increase control over, and to improve, their health’ (WHO 1998). The Ottawa Charter identifies three basic strategies for health promotion, which are enabling, mediating and advocacy.

premium  the amount you pay for insurance.

public health  the organised response by society to protect and promote health, and to prevent illness, injury and disability.

schedule fee  the amount that Medicare contributes towards certain consultations and treatments. The government decides what each item is worth and that’s what Medicare pays. Doctors and private hospitals may choose to charge more than the schedule fee.

social model of health  a conceptual framework within which improvements in health and wellbeing are achieved by directing effort towards addressing the social, economic and environmental determinants of health. The model is based on the understanding that in order to achieve health gains, social, economic and environmental determinants must be addressed.
6.1 Approaches to health care

**KEY CONCEPT** Understanding the models of health and health promotion: the biomedical and social models of health

As our understanding of health status and its contributing determinants have developed, the approaches intended to improve health have also changed and developed. The health system that exists in Australia today is the result of years of accumulated knowledge. There are a range of models of health care in Australia today; the most significant are the biomedical and social models. Understanding the nature and role of each approach to health care is important when assessing the adequacy and effectiveness of Australia’s health system.

**The biomedical model of health**

The term ‘biomedical’ comes from the Greek word *bios* (meaning ‘life’) and the Latin word *medicus* (meaning ‘healing’).

The biomedical model of health, sometimes referred to as the ‘band aid’ or ‘quick fix’ approach, focusses on the physical or biological aspects of disease and illness. It involves trying to diagnose and treat illnesses and conditions once symptoms are present. It centres around doctors, health professionals and hospitals who administer treatment. Examples that reflect the biomedical model of health include:

- stitches to assist the healing of a cut or laceration
- surgery to replace a hip or remove an appendix
- chemotherapy to treat cancer
- medication to lower blood pressure
- x-rays to diagnose fractured bones.

The biomedical model of health has been evolving for many years. Individuals are the focus in this model, which concentrates on disease, illness or disability and attempts to return the physical health of the person to a pre-illness state. The reasons for illness are not at the centre of the biomedical model; rather the condition itself is the focus and treatments are considered the solution. This form of intervention focuses on biological determinants of health and as a result, education about behavioural and social determinants of health are generally excluded.

As technologies and treatments were discovered in the twentieth century, there was increased pressure on hospitals and health professionals to diagnose disease accurately and to find cures and treatments. Medical science and technologies are pivotal in the biomedical model and many medical advances have occurred as a result of the biomedical model of health.

When people think of health care, the first thing they usually think of is the biomedical approach. This approach to health care has been dominant for many years and has played a large role in prolonging life expectancy in Australia. It also receives the majority of health care funding (over 95 per cent).
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The advantages and disadvantages of the biomedical model

The biomedical model has many advantages that contribute to the good health status experienced in Australia.

- It creates advances in technology and research. Without the biomedical model of health, there would be no x-rays, antibiotics or anaesthetics. There would also be relatively little knowledge about how to diagnose and treat illness.
- Many common problems can be effectively treated. Most people have had a range of medicines over the course of their lives. These are often taken for granted as they stop diseases that would otherwise develop and cause considerable ill-health or death.
- Extends life expectancy. Many causes of death that were common in the past, such as some infectious diseases, can now be treated and cured.
- Improves quality of life. Many chronic conditions can be managed with medication, therapy or surgery. These interventions can improve the level of health experienced by many individuals.

Although the biomedical model is a vital part of the health system and has contributed to the health status experienced in this country, it has some limitations and disadvantages.

- It relies on professional health workers and technology and is therefore costly. As individuals are the focus of this model, people with specialist knowledge about disease and treatment are required to adequately treat the patient. As knowledge and technology have developed, the cost of training and equipment has also increased. Some machines required for diagnosis (such as MRI machines) and treatment (such as robotic surgery systems) can cost millions of dollars and may only be able to treat a small number of patients each day.
- It doesn’t always promote good health. The biomedical model encourages a reliance on quick-fix solutions to health issues. As the focus is on the condition itself rather than the determinants that caused it, the biomedical model does not encourage people to be responsible for their own health.
- Not every condition can be treated. Those relying on the biomedical model to restore optimal health may experience conditions that cannot be cured or treated effectively. These conditions may be preventable through behaviour change; however, this is not a focus of the biomedical model. Cancer is an example of a condition that has treatments available but in many cases, no cure.
- Affordability. Not all individuals can afford the medical technologies and resources that are a part of the biomedical model of health care. This is an important factor contributing to the differences experienced in health status.

The social model of health

The social model of health is an approach to health that attempts to address the broader influences on health (social, cultural, environmental and economic factors) rather than disease and injury itself. It was developed in the late 1970s and early 1980s in response to increasing rates of lifestyle-related diseases, especially cardiovascular disease. Despite improvements in health over the previous century, some members of society were not experiencing the same level of good health as the rest of the population, even though the impact on health of a variety of lifestyles and behaviours was widely understood.

The social model of health recognised the relationship between the social determinants of health and health status. This model of health takes into account the significant role that factors such as socioeconomic status, access to health care and social connectedness play in bringing about improved health status. If these determinants can be addressed, many diseases and illnesses can be prevented...
altogether. The most efficient way of achieving this is to take a community-development approach (as opposed to the individual focus of the biomedical approach). Policies, education and health promotion activities are key aspects of the social model of health.

The principles of the social model of health
The social model of health encompasses five key principles (see figure 6.3).

Address the broader determinants of health
Behavioural determinants, such as reducing tobacco smoking and food intake, are an important part of improving health, but these factors are often themselves influenced by other, broader determinants such as gender, culture, race or ethnicity, socioeconomic status, geographical location and the physical environment. These broader determinants of health have been shown to have strong relationships with health status and are increasingly becoming the focus of health promotion strategies. Addressing these determinants is a key aspect of the social model of health.

Involve intersectoral collaboration
There are many government and non-government organisations and stakeholders who have an influence over the social and environmental determinants of health. Some of these groups include government departments responsible for employment, education and finance, as well as the private sector, including service providers and manufacturers who sit outside the health system. The health system, while contributing significantly to health status, does not have as much influence over the social environment. Only by involving all interested and concerned groups can the social determinants be adequately addressed.

Act to reduce social inequities
To achieve this, the social factors that contribute to inequities in health status must be addressed. Many individuals and population groups are heavily influenced by social determinants of health such as gender, culture, race, socioeconomic status, access to health care, social exclusion and the physical environment.
Act to enable access to health care

Health care is a significant determinant of health and is a contributing factor in the health status experienced by most people. There are many social factors that can impact on access to health care. Some of these include cultural and language barriers, economic and geographical factors, and education levels.

Empower individuals and communities

Empowering individuals and communities means they can participate in decision making about their health. Individuals are more likely to participate in healthy behaviours if they feel they have a sense of power and control over their situation. Empowering individuals and communities with health knowledge and skills means that they are in a position to make positive changes to their health.

Programs based on the social model of health

Examples of programs based on the social model of health include:

- the ‘Closing the gap’ indigenous campaign. This campaign is a joint venture between the federal and state/territory governments and aims to increase the improvements in life expectancy experienced by indigenous Australians. It focuses on community development and aims to empower indigenous people and increase access to culturally appropriate health care.
- the Sunsmart program. By raising public awareness, this program aims to reduce exposure to UV rays and to educate people about the dangers of sun exposure.
- Breastscreen Australia. This program is jointly funded by the federal and state/territory governments and provides free mammograms to females aged between 50 and 69. By removing financial barriers, this program aims to increase access to health care for women.
- the Rural Retention Program (RRP). This is a federal government strategy that aims to provide financial incentives for doctors who work in rural and remote areas. This increases access to health care for those living in rural and remote areas.
- Quit. The Quit campaign is a joint venture between the Victorian Government, VicHealth, the Heart Foundation and the Cancer Council. The Quit campaign promotes public awareness campaigns, lobbies government to develop anti-tobacco legislation and provides assistance for individuals who want to give up tobacco smoking.
- the ‘Be a man — talk to your doctor about prostate cancer’ program. This initiative aims to break down cultural beliefs about health held by many men and encourages them to visit a doctor to discuss their health.
- the Shape Up Australia Campaign. This is a federal government program that aims to help consumers identify products and resources that assist in maintaining a healthy body weight.

The advantages and disadvantages of the social model of health

The social model of health has become a key part of Australia’s health system due to the many advantages characteristic of this model.

- It promotes good health and assists in preventing diseases. As the social model focusses on the broader determinants of health, it can prevent conditions from developing in the first place, therefore improving health status.
- It promotes overall wellbeing. As the social model doesn’t just focus on diseases that are present, it has the potential to promote the overall health of individuals.
• **It is relatively inexpensive.** Although health promotion programs can cost millions of dollars to implement, the investment is often significantly cheaper than treating conditions once symptoms arise.

• **It focusses on vulnerable population groups.** As it focusses on promoting equity, many disadvantaged groups are the target of health promotion programs including indigenous Australians, those from low socioeconomic backgrounds and those living in rural and remote areas.

• **Education can be passed on from generation to generation.** The social model of health often uses education to enhance health. This knowledge can be passed on to future generations, promoting sustainable improvements in health.

• **The responsibility for health is shared.** The social model makes health the responsibility of more than just the health sector so that the reasons behind poor health are more likely to be addressed. Although it promotes health in numerous ways, there are some disadvantages associated with the social model of health.

• **Not every condition can be prevented.** The causes of some conditions, including many genetic conditions, can be very difficult to prevent.

• **It does not promote the development of technology and medical knowledge.** As it focusses on the broader determinants of health, it does not promote medical advancements.

• **It does not address the health concerns of individuals.** Those who are sick, for example, are not a specific focus of the social model of health, which can impact negatively on their health and health status in the population.

• **Health promotion messages may be ignored.** The social model of health relies on cooperation of the public. If people choose to ignore the health messages provided, health may not improve.

**TEST your knowledge**

1. Describe:
   (a) the biomedical model of health
   (b) the social model of health

2. Identify three key differences between the biomedical and social models of health.

3. Why is the biomedical model sometimes called the ‘band aid’ or ‘quick fix’ approach?

4. Explain why the biomedical model of health is expensive when compared with the social model of health.

5. List the five principles of the social model of health.

6. Outline three advantages and three disadvantages of the biomedical model of health.

7. Outline three advantages and three disadvantages of the social model of health.

**APPLY your knowledge**

8. Why does focusing on diseases not improve the health of all members of society?

9. (a) Design an acrostic or silly sentence to help you remember the five principles of the social model of health.
   (b) Share your acrostic or silly sentence with the class and decide on the best one.

10. (a) What policies/strategies can you think of that have incorporated one of the principles of the social model of health?
    (b) Share your results with others.

11. Explain why it is important to have both the biomedical and social models of health if we are to improve health status.

12. Research one of the programs that is based on the social model of health and identify the principles of the social model of health that are evident.
6.2 The Ottawa Charter for Health Promotion

KEY CONCEPT Understanding the models of health and health promotion: the Ottawa Charter for Health Promotion

One of the responses to the social model of health came at the World Health Organization’s first International Conference on Health Promotion held in 1986 in Ottawa, Canada (see figure 6.4).

At this meeting, the delegates had the task of coming up with some guidelines that would help organisations and key stakeholders incorporate health promotion ideas into their strategies, policies and campaigns. Until then, there was no framework to guide them in the development of health promotion strategies. The resulting framework was known as the Ottawa Charter for Health Promotion, often referred to as the Ottawa Charter.

Prerequisites for health promotion

The Ottawa Charter identifies that there are certain prerequisites or basic conditions and resources that must be available if any gains in health are to occur. They are:

- **peace**. Countries and communities that are experiencing peace are able to utilise their resources for promoting health. Conflict on the other hand, often diverts resources away from health to other areas, such as defence.
- **shelter**. Shelter is required for both protection from the elements and safety. Those without shelter are at the mercy of their environment and often spend energy finding shelter, which does not allow significant improvements to health to be made.
- **education**. Education is an influencing factor for other determinants such as employment and literacy. A lack of education does not provide individuals and the community with the necessary resources to take control of their health.
- **food**. Nutrition is essential for the adequate functioning of the body. Limited or no access to a variety of food containing all necessary nutrients does not allow individuals to improve their health.
- **income**. Income influences a range of factors such as housing, education, food intake and access to health care. Limited income prevents many individuals from accessing these resources.
- **a stable ecosystem**. This refers to the balance between the landscape and species (both plants and animals) that live in an environment. There will be fluctuations in the balance, but changes should not be too pronounced. The ecosystem provides many resources for health, including food, air and water.
- **sustainable resources**. Many resources are required for health, such as food, water and a source of income. These resources can include fish, oil supplies and timber for building. If these resources are not sustainable, future generations will not be able to benefit from them.
- **social justice and equity**. This refers to all people being valued and receiving fair treatment. It goes beyond enforcing laws and ensures that all people can share in the benefits of a society.

The Ottawa Charter strives to make these conditions available for all. It also sets out three strategies and five priority or action areas that should be taken into account when devising health promotion initiatives. They are outlined below.
Strategies for health promotion
The three strategies for health promotion as outlined in the Ottawa Charter are **advocate**, **enable** and **mediate**.

**Advocate**
Good health is a major resource for social, economic and personal development and an important dimension of quality of life. Biological, behavioural, physical environmental and social determinants can all favour health or be harmful to it. Health promotion aims to make these determinants favourable through advocacy for health. Advocacy for health refers to actions that seek to gain support from governments and societies in general to make the changes necessary to improve the determinants of health for everyone. These actions can include media campaigns (including social media), public speaking, conducting and publishing of research and public opinion, and lobbying governments, in which individuals or groups try to change the opinions of those responsible for making public policies and laws.

**Enable**
Health promotion focuses on achieving equity in health by working with those who experience poorer health outcomes. Health promotion aims to reduce differences in health status between population groups by ensuring equal opportunities and resources are available to enable all people to achieve optimal health. This includes ensuring access to education, employment, adequate housing, nutritious food and health care by empowering people, not by merely providing handouts. People cannot achieve optimal health unless they are able to take control of those things that determine their health. This must apply equally to women and men, indigenous and non-indigenous people, those in low and high socioeconomic groups, and those living in rural and remote areas as well as major cities.

**Mediate**
The changes required to promote health include changes to funding, legislation and policies, and to the physical and social environment. Such changes will inevitably cause conflict between different individuals, groups, businesses and political parties. Mediating relates to helping these groups resolve such conflict and produce outcomes that promote health. Reducing speed limits is an example of a policy change that is not always supported by all members of the community. Working with groups that oppose such changes to ensure that lives are saved on the roads is an important role of social groups and health professionals.

Action areas of the Ottawa Charter
The five action areas of the Ottawa Charter are to build a healthy public policy, create supportive environments, strengthen community action, develop personal skills and reorient health services.

**Build healthy public policy**
This relates directly to the decisions made by government and organisations in relation to laws and policies that affect health. Examples include removing the goods and services tax (GST) on unprocessed foods (which are healthier options than processed foods) and increasing the tax on certain alcoholic drinks. Policies and laws such as these make it more difficult for people to participate in unhealthy behaviours,
thereby reducing exposure to determinants that can cause ill health. Some of these (such as banning smoking in public places) are designed to make the environment healthier for those who choose not to participate in unhealthy behaviours and others aim to directly influence behaviour (such as the compulsory wearing of seatbelts). In this capacity, laws and policies make healthier choices easier choices.

Create supportive environments

A supportive environment is one that promotes health by being safe, stimulating, satisfying and enjoyable. Supportive environments promote health by helping people practise healthy behaviours. Examples of this include Quitline (a support service for smokers wanting to quit, which provides a supportive social environment), providing shaded areas in school playgrounds (reducing the rate of UV exposure, which provides a supportive physical environment) and investing in sustainable energy production (ensuring that future generations also have access to a healthy environment). This priority area recognises the impact that the broader determinants have on health and aims to promote a healthy physical and social environment for all members of the community. A healthy physical and social environment includes a satisfying and fulfilling work and social life (including support for those who need it) and can help with improving health status. This action area also emphasises the importance of ensuring that health-promoting resources associated with the physical and social environment will be available to promote the health of future generations.

Strengthen community action

This priority area focuses on building links between individuals and the community and centres around the community working together to achieve a common goal. Giving the community a sense of ownership of a health strategy increases the likelihood of its effectiveness. The Central Australian Aboriginal Congress (CAAC) in Alice Springs is an example of this. CAAC is a health service provider and educator run by Aboriginal people for Aboriginal people. The rates of participation in the CAAC program are high as people feel a connection. A range of Aboriginal people in Central Australia work together to promote the wellbeing of their community. The service provides health care, education and advocacy.

The more people who work together towards a common goal, the greater the chance of success. Another example of this is the government’s immunisation strategy. This strategy involves media, doctors, schools and parents working together to achieve higher immunisation rates.

Develop personal skills

Education is the key aspect of this priority area. Education refers to gaining health-related knowledge (such as attending classes teaching healthy cooking techniques) and gaining life skills that allow people to make informed decisions that may indirectly effect health (such as talking to people to resolve conflict rather than using violence).

Many parts of society have a role in achieving adequate education for citizens, including school and work settings, families and government and non-government organisations.

FIGURE 6.6 Schools play an important part in developing personal skills.
Reorient health services

This priority area refers to reorienting the health system so that it promotes health as opposed to only focussing on diagnosing and treating illness, as is the case with the biomedical model.

In order to reorient health services, the health system must encompass not only doctors and hospitals, but all members of the community including individuals, community groups, health professionals, health service institutions and governments.

The social model of health sees individuals as a whole person, not just a physical being. A health system that reflects the social model of health must therefore address all of the determinants of health, not just diseases. This requires a shift towards health promotion, which includes doctors taking on the role of educator. This priority area does not suggest neglecting the biomedical model, but rather incorporating health promotion to play a more significant role.

Examples of this priority area include focusing on healthy eating rather than surgery to reduce the impact of cardiovascular disease and doctors recommending physical activity to prevent the development of damaging conditions such as type 2 diabetes.

The WHO’s health promotion logo

This logo was created for the First International Conference on Health Promotion, held in Ottawa, Canada, in 1986. At that conference, the Ottawa Charter for Health Promotion was launched. Since then, WHO has kept this symbol as the Health Promotion logo, as it stands for the approach to health promotion outlined in the Ottawa Charter.

The logo represents a circle with three wings. It incorporates five key action areas in health promotion (build healthy public policy, create supportive environments, strengthen community action, develop personal skills, and re-orient health services) and three basic health promotion strategies (enable, mediate and advocate).

The outside circle, in red, represents the action area of ‘Building Healthy Public Policy’, therefore symbolising the need for policies to ‘hold things together’. This circle encompasses the three wings, symbolising the need to address all five key action areas of health promotion identified in the Ottawa Charter.

The round spot within the circle stands for the three basic strategies for health promotion, ‘enabling, mediating, and advocacy’, which are needed for and applied to all health promotion action areas.

FIGURE 6.7 The Health Promotion logo was designed for use at the first Health Promotion Conference in Ottawa, Canada in 1986.

The three wings represent (and contain the words of) the five key action areas for health promotion that were identified in the Ottawa Charter for Health Promotion. More specifically:

- The upper wing that is breaking the circle represents that action is needed to ‘strengthen community action’ and to ‘develop personal skills’. This wing is breaking the circle to symbolise that society and communities as well as individuals are constantly changing and, therefore, the policy sphere has to constantly react and develop to reflect these changes: a ‘healthy public policy’ is needed.
The middle wing on the right side represents that action is needed to ‘create supportive environments for health’.

The bottom wing represents that action is needed to ‘reorient health services’ towards preventing diseases and promoting health.

Overall, the logo visualises the idea that health promotion relies on a number of different strategies and actions being used together to improve health for all.


Case study review

1 Briefly explain the key features of the health promotion logo.

2 (a) Explain why one of the wings is breaking the circle.

(b) Brainstorm two healthy public policies that have been developed (at a school, community, state or national level) due to changing societies, communities or individuals.

The Ottawa Charter for Health Promotion in action

The Ottawa Charter for Health Promotion is a useful tool for governments and health promotion organisations to use when planning effective strategies. However, it is not necessary for all five priority areas of the Ottawa Charter to be addressed in every strategy. Some effective strategies focus on only one or two areas. Trying to address all five priority areas may spread resources too thinly, meaning the strategy may not achieve its goals.

Examples of strategies that have utilised parts of the Ottawa Charter are discussed below.

SunSmart

SunSmart is a joint initiative between the Cancer Council and VicHealth. The SunSmart campaign promotes a balance between the benefits and potential dangers of UV exposure through a number of actions.

SunSmart develops personal skills through their ‘Slip! Slop! Slap! Seek! Slide!’ advertising campaign. This campaign emphasises five easy steps that can be taken to prevent overexposure to UV radiation. The words in the catchphrase represent:

- slip on a shirt
- slop on some sunscreen
- slap on a hat
- seek shade
- slide on some sunglasses.

SunSmart works to create supportive environments by improving environmental protection strategies, such as shade audits, options for built and natural shade, and promoting the SunSmart UV Alert.

SunSmart strengthens community action by assisting various groups to reduce UV exposure. Targeted groups include early childhood centres, schools, workplaces, local communities, sporting clubs and sporting venues.

SunSmart has developed a range of public health policies that can be adapted to individual child care centres, kindergartens, schools and workplaces.

SunSmart assists in reorienting health services by providing support for community health workers, general practitioners and local governments in promoting awareness of UV exposure. This support includes advice on strategy development, making research available to health professionals and making advertising and educational materials available for use by health professionals.
Quit
The Quit campaign is a joint venture between the Victorian Government, VicHealth, the Heart Foundation and the Cancer Council. Through the Quit campaign, these groups aim to decrease the prevalence of smoking by assisting smokers to quit and preventing the uptake of smoking in non-smokers. To achieve their aims, Quit employs a range of actions.

Quit develops personal skills by providing information regarding tobacco smoking and the benefits associated with not smoking. This is achieved through a mass advertising campaign and via downloadable information on their website.

Quit creates a supportive environment by providing personalised counselling for those wanting to stop smoking. The Quitline is Quit’s telephone service that individuals can use to receive advice and support when quitting smoking. Online support is also available on the Quit website.

Quit strengthens community action by assisting health professionals, community groups and various population groups to develop anti-smoking strategies. It does this by providing specialist training for health professionals and providing funding and resources for community and population groups to decrease smoking prevalence. These groups include indigenous Australians, those experiencing mental health issues, ethnic and multicultural groups, schools, workplaces, entertainment venues and local councils.

Healthy public policies are developed in conjunction with the state government. Examples of policies include laws relating to smoking in public places, tobacco advertising, the display of cigarettes in retail outlets, tobacco packaging and tobacco taxes.

Quit reorients health services by investing millions of dollars in smoking prevention research. This research then provides best practice techniques for preventing people from starting smoking and assisting smokers to quit. This can reduce the incidence of many illnesses such as cancer and cardiovascular disease.

LiveLighter
The LiveLighter campaign is a joint initiative between the Cancer Council and the Heart Foundation that aims to decrease the prevalence and incidence of obesity in Australia.

The program centres around raising awareness about the causes of overweight and obesity and the steps people can take to prevent them.

It develops personal skills by creating meal and activity plans for individuals based on their specific needs. The plan includes recipes that can assist consumers in preparing healthy meals and reducing their body weight. The LiveLighter website also develops personal skills by providing access to a range of resources and information for those wanting to lose weight and improve their health. Reasons for maintaining healthy body weight are outlined; these reasons include the link between biological and behavioural factors such as excess abdominal fat and physical inactivity, and chronic disease.

The program creates a supportive environment by providing personal accounts from individuals who have made changes to their food intake and physical activity levels in order to lose weight. These stories provide support to those...
contemplating lifestyle changes and illustrate the benefits they can receive as a result of making these changes.

The LiveLighter initiative focuses on preventing and reversing the impacts of obesity. Obesity is a significant biological determinant of health in Australia due to its prevalence and relationship to other chronic conditions, including cardiovascular disease and type 2 diabetes. This campaign helps reorient health services as individuals learn skills to reduce the risk of obesity and its associated conditions.

**Healthy Spaces and Places**

The Department of Health and Ageing is funding a partnership between the Australian Local Government Association, the National Heart Foundation of Australia and the Planning Institute of Australia who are working together to develop Healthy Spaces and Places.

The Healthy Spaces and Places project aims to promote the ongoing development and improvement of built environments where Australian people live, work and play, to facilitate lifelong active living and promote good health outcomes for all. The project is strengthening community action with a national approach to raising awareness of the relationship between health and the built environment, and contributing to the development of a national policy setting. It also creates a supportive environment by promoting the development of public recreation facilities that cater for as many members of the community as possible. This includes providing walking tracks, parks and bicycle paths.
6.2 The Ottawa Charter for Health Promotion

**TEST your knowledge**

1. Define health promotion according to the Ottawa Charter.
2. Give reasons for the development of the Ottawa Charter.
3. List five fundamental conditions, called prerequisites, that must be established if health gains are to be made.
4. Briefly explain the three strategies for health promotion outlined in the Ottawa Charter.
5. What are the five priority areas of the Ottawa Charter? Briefly explain each one.

**APPLY your knowledge**

6. Draw up a table with the following column headings and complete the table for each of the five priority areas of the Ottawa Charter.

<table>
<thead>
<tr>
<th>Priority area of the Ottawa Charter</th>
<th>Explanation of the priority area</th>
<th>Examples of how the priority area has been implemented in a program</th>
</tr>
</thead>
</table>

7. Explain how two or more priority areas of the Ottawa Charter could be used to reduce the incidence of:
   (a) obesity
   (b) cancer
   (c) mental health issues.

8. Use the Suicide prevention weblink in your eBookPLUS to research the strategy and identify priority areas within it.
6.3 The role of VicHealth

KEY CONCEPT Understanding the role of VicHealth, including its mission and strategic priorities, potential outcomes of a VicHealth-funded project, and how it reflects the social model of health

The Victorian Health Promotion Foundation (commonly referred to as VicHealth) is a Victorian government funded body that works with organisations, communities and individuals. The main concerns of VicHealth are health promotion and illness prevention. In order to achieve these goals, VicHealth strengthens community action by working with a range of community groups including those associated with sport, community, urban planning, transport, local government, education and the arts.

Mission (commitment) of VicHealth

The mission of VicHealth is reflected in their commitment to promoting health, which is to:

• promote good health in partnership with others
• recognise that the social and economic conditions for all people influence their health
• promote fairness and opportunity for better health
• support initiatives that assist individuals, communities, workplaces and broader society to improve wellbeing
• seek to prevent chronic conditions for all Victorians.

Strategic priorities of VicHealth

VicHealth's Action Agenda (2013–2023) identifies five strategic priorities (also referred to as ‘strategic imperatives’):

• Promote healthy eating
• Encourage regular physical activity
• Prevent tobacco use
• Prevent harm from alcohol
• Improve mental wellbeing.

These priorities guide the funding and research activities of VicHealth.

The role of VicHealth

VicHealth’s role is to promote health by targeting the broader social, economic and environmental factors that influence health. VicHealth targets these influences through funding, sponsorship, research and evaluation, and encouraging healthy lifestyles in the community.

One of the main contributions VicHealth makes to health promotion is forming partnerships with community organisations by providing financial grants to help fund various programs that promote the health and wellbeing of Victorians. Specifically, VicHealth funds over 1300 projects a year to promote the wellbeing of Victorians. Organisations and local governments can apply for funding towards projects that aim
to promote health and reduce the health inequities that exist between population groups in Australia. In order to target their strategic priorities, VicHealth funds programs relating to sport and physical activity, arts and culture, and education.

VicHealth provides sponsorship for a range of sporting, cultural and artistic organisations throughout Victoria. As VicHealth raises the public’s awareness of the opportunities provided by such groups, more people are likely to participate and therefore improve their health.

VicHealth also plays a major role in supporting research relating to health promotion. By funding research, VicHealth is able to generate and share health promotion knowledge with their partner organisations and other key stakeholders. For example, VicHealth has researched the relationship between income and factors such as tobacco smoking and food insecurity. This allows programs to be implemented that may decrease the impact of tobacco use and food insecurity. Much of the research funded by VicHealth relates to population groups that do not experience the same level of health as the rest of the population, such as Indigenous Australians, people from low socioeconomic backgrounds, and people living in rural and remote areas.

VicHealth evaluates health promotion programs that have been implemented to ensure that programs are continually evolving and that funding goes towards programs that have the greatest chance of achieving the desired outcomes.

VicHealth has formed partnerships with international, government, non-government and community organisations. Through these partnerships, VicHealth is able to promote healthy lifestyles for all Victorians. Although VicHealth is funded by and reports to the Victorian Government, it does not have legislative power; that is, it is not able to change laws and policies. As a result, VicHealth attempts to influence government decisions by producing evidence relating to health promotion policies and activities, and by promoting healthy lifestyles through publications, digital media, events and media relations. VicHealth works in a similar way with its other partners, including international organisations such as the World Health Organization and non-government organisations such as sporting leagues.

**FIGURE 6.14** By providing expert commentary in the media, VicHealth works to raise awareness of health promotion.

**Focussing on the principles of the social model of health and potential health outcomes of VicHealth-funded projects**

VicHealth uses the social model of health as the foundation of its work. As such, the principles of the social model of health are evident in many VicHealth projects. Potential health outcomes of VicHealth-funded projects are also identified in the following examples.

- The Active Arts Strategy. The program provides funds to arts organisations to establish arts activities that incorporate physical activity to build social connections (see the case study on page XX). The Active Arts Strategy addresses the broader determinants of health, such as social inclusion and connectedness. Physical activity improves physical fitness (physical health) and social interaction improves social health.
- The establishment of the Walk to School program. School children and their parents are encouraged to walk to school each day in October. By engaging in regular physical activity, it empowers individuals so they are more likely to participate in physical activity in the future. This program was initiated by...
collaboration between VicHealth, schools, teachers and parents, local councils, media and non-government organisations. This is an example of intersectoral collaboration. The program increases social interaction, which promotes social health. Regular physical activity can improve fitness and assist with weight management (physical health). Regular physical activity also increases feelings of wellbeing, which is an example of mental health.

- Providing most of the funds for Quit. Quit is a major anti-smoking campaign that provides support to those attempting to quit and education programs that aim to reduce the number of individuals taking up the habit. This empowers individuals by providing them with skills and knowledge that can lead to educated decisions about tobacco smoking. Reduced smoking rates reduce the risk of cancer, respiratory diseases and cardiovascular diseases (physical health).

Case study

Dance extravaganza I Could Have Danced All Night returns to White Night Melbourne

As dusk falls on Saturday night, thousands of Victorians will limber up and prepare for a night of dancing under the stars.

For the second year, VicHealth is getting behind the hugely popular 12-hour dance marathon I Could Have Danced All Night, which returns to White Night Melbourne on Saturday, 21 February.

Ausdance Victoria and their professional dancers will be on hand to guide thousands of Victorians through a range of dance styles from 7 pm to 7 am.

VicHealth CEO Jerril Rechter, a former dancer and choreographer, encouraged people of all ages and abilities to get involved in the event.

‘This year, VicHealth is once again throwing its full support behind I Could Have Danced All Night because we believe that by bringing people together to be involved in events like this we can promote people’s physical and mental wellbeing.

‘As part of our Active Arts Strategy to get more Victorians moving we want to provide as many opportunities as possible to get people active. As well as helping to get your heart pumping and meet your 30 minutes of daily physical activity, dance gives people the opportunity to express themselves, meet new people, be inspired, have fun and feel good about themselves,’ Ms Rechter added.

For the past few months, 12 community groups from across Melbourne have been deep in rehearsals each learning a different dance that they will perform on stage at White Night.

‘They include a group of senior citizens, people with disabilities, a group of newly-arrived migrants and refugees and a group of international students. To say we’re excited about seeing these groups on stage leading thousands of Victorians in dance is an understatement!’ Ms Rechter said.

Leading Australian choreographer Gideon Obarzanek said ‘The ability of the arts to bring people together is very powerful and a very real strength’, while Adam Wheeler, dancer and choreographer, said ‘The arts allow people to grow in confidence, grow in achievement, and grow a voice’.

Source: Media Release 16 February 2015 Media Contact Helen Walsh, Senior Media Advisor P 03 9667 1319 M 0435 761 732 E hwalsh@vichealth.vic.gov.au

Case study review

1 Identify the strategic priorities that may be targeted by the I Could Have Danced All Night event.
2 Explain how funding arts programs could be considered health promotion.
3 Explain how the I Could Have Danced All Night event reflects VicHealth’s mission.
4 Which principles of the social model of health are reflected in this program?
   Explain how they are evident.
5 Explain how this event can promote the dimensions of health.
6.3 The role of VicHealth

**TEST your knowledge**

1. (a) What is VicHealth?
   (b) List the missions of VicHealth.
   (c) List the strategic priorities of VicHealth.
   (d) Using the knowledge you have gained about health status in Australia, suggest why these priorities have been selected for VicHealth.

2. Explain the contribution VicHealth makes to promote the health of all Victorians.

3. (a) Describe two initiatives that VicHealth has been involved in.
    (b) Outline the potential physical, social and mental health outcomes for each strategy identified.
    (c) Outline how each initiative reflects the social model of health.

**APPLY your knowledge**

4. How effective do you think VicHealth has been/will be in promoting the health of Victorians? Explain your answer.

5. Does VicHealth focus on specific diseases? Explain your answer.

6. Use either the Walk to school or Quit weblink in your eBookPLUS to research a VicHealth-funded strategy and then answer the following questions.
   (a) What are the aims of this project?
   (b) What are the key features of this project?
   (c) What principles of the social model of health are being addressed in this project? Explain how they are reflected in this program.
   (d) Outline the potential health outcomes of this project.

7. Use the Fitzroy Stars weblink in your eBookPLUS to answer this question. Explain how being the Fitzroy Stars Football Club is working to promote the physical, social and mental health of:
   (a) players
   (b) supporters.
6.4 The federal government’s responsibility for health

KEY CONCEPT Understanding Australia’s health system: the federal government’s responsibility for health

Australia’s health system is the responsibility of all levels of government — federal, state and local — as well as the private sector. It is comparable to other developed nations with regards to its structure and function, and generally provides a high quality of care.

The role of the federal government

The federal government plays a leadership role with regards to health care. It is involved in key policy making, funding and national issues such as public health and research rather than actual service delivery. Five of the major responsibilities of health of the federal government are:

1. the administration of Medicare. This includes funding the Medicare system, relevant legislation relating to Medicare and the day to day running of the scheme.
2. the administration of the Pharmaceutical Benefits Scheme (PBS). The federal government funds the PBS and decides which medications will be included under the scheme.
3. quarantine. The federal government is responsible for protecting Australia’s borders. This includes ensuring that no biological or environmental hazards enter the country, such as the avian or bird flu.
4. funding. The federal government oversees the funding of the health system, including allocating funds to state and territory governments for the running of public hospitals, providing financial incentives for those taking out private health insurance and funding national screening programs such as BreastScreen Australia.
5. regulation. The federal government regulates many aspects of the health system to ensure that it runs effectively. These regulations relate to the availability of pharmaceuticals, the private health insurance industry and developing laws relating to food safety.

These five major responsibilities will be explored in this section.
6.4 The federal government’s responsibility for health

1. Medicare

Medicare is Australia’s universal health insurance scheme. Established in 1984, Medicare gives all Australians, permanent residents and people from countries with a reciprocal agreement (New Zealand, the United Kingdom, the Republic of Ireland, Sweden, the Netherlands, Finland, Italy, Malta and Norway) access to health care that is subsidised by the government.

What does Medicare cover?

Out-of-hospital expenses

Medicare will pay all or some of the fees relating to many essential health care services. This includes consultation fees for doctors and specialists, tests and examinations needed to treat illnesses such as x-rays and pathology tests, and eye tests performed by optometrists. Most surgical and other therapeutic procedures performed by general practitioners are also covered.

Although most basic dental services are usually not covered by Medicare, some dental procedures can be covered, including:

- some surgical procedures performed by approved dentists
- services for some children aged 2–17. Under the Child Dental Benefits Scheme, some children are eligible for Medicare-funded dental procedures. Medicare will provide $1000 worth of dental treatment over two years for those who qualify. In order to qualify, the individual must be eligible for Medicare and receive (or their family, guardian or carer receives) certain government benefits such as Family Tax Benefit Part A or Youth Allowance (forms of social security) for at least part of the calendar year.

The Medicare Safety Net ensures that people who require frequent services covered by Medicare, such as doctor’s visits and tests, receive additional financial support. Once an individual or family’s co-payments for medical expenses reach a certain level ($2000 in 2015), services covered by Medicare become cheaper for that individual or family for the rest of the calendar year.

In-hospital expenses

As a public patient in a public hospital, treatment by doctors and specialists is covered by Medicare, including initial treatment and aftercare. If an individual chooses to be admitted to a private hospital or as a private patient in a public hospital, Medicare will pay 75 per cent of the schedule fee for treatment by doctors and specialists.

The schedule fee indicates the amount that Medicare will contribute to selected procedures. The Medicare Benefits Schedule is a document that lists the range of services covered and the amount that Medicare will contribute to each. The schedule fees are based on the amount that is thought to be ‘reasonable’ on average, for that particular service. For example, the schedule fee for a GP’s visit in January 2015 was $37.05. Based on this contribution, every time an individual goes to the doctor for a standard consultation, Medicare will contribute $37.05. This does not necessarily mean that the doctor will only charge that amount. Depending on the individual doctor’s policy, the fee may be more than the schedule. If this is the case, the patient is responsible for paying the difference (known as the ‘patient co-payment’). If the doctor charges only the schedule fee, the patient does not have any out of pocket expenses and is said to have been bulk-billed. Examples of the contributions of both Medicare and the individual are outlined in the hypothetical situations on the right.

(a)

<table>
<thead>
<tr>
<th>Medicare contribution (schedule fee)</th>
<th>$37.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient co-payment</td>
<td>$0</td>
</tr>
<tr>
<td>Doctor charges $37.05</td>
<td></td>
</tr>
</tbody>
</table>

(b)

<table>
<thead>
<tr>
<th>Medicare contribution (schedule fee)</th>
<th>$37.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient co-payment</td>
<td>$7.95</td>
</tr>
<tr>
<td>Doctor charges $45</td>
<td></td>
</tr>
</tbody>
</table>

FIGURE 6.17 (a) A bulk-billed GP consultation and (b) GP consultation requiring patient co-payment


FIGURE 6.16 X-ray is one of the many services Medicare covers.
What is not covered by Medicare?

Medicare covers most ‘clinically necessary’ hospital and doctors’ fees. Any cosmetic or unnecessary procedures are generally not covered. Other services not covered by Medicare include:

- costs associated with treatment in a private hospital. Medicare will pay 75 per cent of the schedule fee for treatment in private hospitals but will not contribute to accommodation and other costs
- most dental examinations and treatment. Although some children aged 217 can qualify for Medicare-funded dental care, most individuals are responsible for meeting their own costs associated with dental health care
- home nursing care or treatment
- ambulance services.

A number of treatments that exist in addition to traditional medicine are generally not covered by Medicare. Often these are seen as ‘alternative medicines’ and include chiropractic services, acupuncture, remedial massage, naturopathy and aromatherapy. Medicare may contribute if these services are carried out or referred by a GP.

Health-related aids such as glasses and contact lenses, hearing aids and the cost of artificial limbs (prostheses) are also exempt from Medicare rebate. Pharmaceuticals are not covered under Medicare but may be subsidised under the PBS.

Medical costs for which someone else is responsible (for example, a compensation insurer, an employer, or a government or non-government authority) do not qualify for a Medicare contribution as the person at fault is expected to pay the medical fees.

Individuals and/or families can choose to purchase private health insurance to cover many of these services if they wish.

The advantages and disadvantages of Medicare

The advantages and disadvantages of Medicare are summarised in table 6.1.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Choice of doctor for out-of-hospital services.</td>
<td>- No choice of doctor for in-hospital treatments.</td>
</tr>
<tr>
<td>- Available to all Australian citizens.</td>
<td>- Waiting lists for many treatments.</td>
</tr>
<tr>
<td>- Reciprocal agreement between Australia and other countries allows Australian citizens to access free health care in selected countries.</td>
<td>- Does not cover alternative therapies.</td>
</tr>
<tr>
<td>- Covers tests and examinations, doctors’ and specialists’ fees (schedule fee only), and some procedures such as x-rays and eye tests.</td>
<td>- Often does not cover the full amount of a doctor’s visit.</td>
</tr>
<tr>
<td>- The Medicare Safety Net provides extra financial contributions for medical services once an individual or family’s co-payments reach a certain level.</td>
<td></td>
</tr>
</tbody>
</table>

How is Medicare funded?

Medicare is funded through three sources of income:

- the Medicare levy
- the Medicare levy surcharge
- general taxation.

The Medicare levy is an additional 2 per cent tax placed on the taxable income of most taxpayers. Those with low incomes or with specific circumstances may be exempt from paying the levy.

People earning over a certain amount ($88,000 a year for individuals and $176,000 for families as of 2014–15) without private health insurance have to
pay an extra tax called the Medicare levy surcharge. The Medicare levy surcharge increases as income increases; for example, an individual earning more than $88,000 without private health insurance will pay an extra 1% of their income to Medicare, and an individual earning more than $136,001 without private health insurance will pay 1.5% of their income to Medicare.

The Medicare levy surcharge aims to encourage individuals to take out private hospital cover and, where possible, to use the private system to reduce the demand on the Medicare-funded public system.

The revenue collected from the Medicare levy and Medicare levy surcharge does not meet the full operating costs of Medicare. Therefore, income collected through general income tax is also used to help fund the cost of Medicare.

This is an incentive for those on higher incomes to take out private health insurance, which takes some of the financial pressure off Medicare. As the amount collected from the levy and the surcharge do not meet the operating costs of Medicare, some funds collected through general income tax are also contributed.

### TABLE 6.2 Medicare services provided and benefits paid, 2005–14

<table>
<thead>
<tr>
<th>Year</th>
<th>Total services provided (million)</th>
<th>Average number of services per person</th>
<th>Total cost of services ($million)</th>
<th>Average cost per person ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005–06</td>
<td>247.4</td>
<td>12.1</td>
<td>10,976.3</td>
<td>536.8</td>
</tr>
<tr>
<td>2006–07</td>
<td>257.9</td>
<td>12.4</td>
<td>11,735.6</td>
<td>563.5</td>
</tr>
<tr>
<td>2007–08</td>
<td>278.7</td>
<td>13.1</td>
<td>13,006.5</td>
<td>612.2</td>
</tr>
<tr>
<td>2008–09</td>
<td>293.5</td>
<td>13.5</td>
<td>14,255.2</td>
<td>657.3</td>
</tr>
<tr>
<td>2009–10</td>
<td>308.0</td>
<td>14.0</td>
<td>15,413.7</td>
<td>699.7</td>
</tr>
<tr>
<td>2010–11</td>
<td>318.8</td>
<td>14.3</td>
<td>16,317.6</td>
<td>730.5</td>
</tr>
<tr>
<td>2011–12</td>
<td>332.2</td>
<td>14.6</td>
<td>17,639.2</td>
<td>776.2</td>
</tr>
<tr>
<td>2012–13</td>
<td>343.6</td>
<td>14.9</td>
<td>18,565.6</td>
<td>802.7</td>
</tr>
<tr>
<td>2013–14</td>
<td>356.1</td>
<td>15.1</td>
<td>19,122.6</td>
<td>812.6</td>
</tr>
</tbody>
</table>

MBS data, 2005–14

### FIGURE 6.18

More than 4000 essential medications are on the PBS list.

### 2. The Pharmaceutical Benefits Scheme (PBS)

Along with Medicare, the PBS is a key component of the federal government’s contribution to Australia’s health system.

The PBS has been evolving since 1948 when the government provided lifesaving and disease-preventing medication to the community free of charge. The aim was to provide essential medicines to people who needed them regardless of their ability to pay. The purpose of the PBS remains the same today, but instead of being free, medicines are now subsidised and consumers must make a co-payment.

As at 1 January 2015, the co-payment for most PBS-subsidised medication was $37.70 or $6.10 for concession card holders. The government pays the remaining cost. These costs are adjusted each year on 1 January to stay in line with inflation.
In addition to the initial subsidy, individuals and families are further protected from large overall expenses for PBS-listed medicines through the PBS Safety Net. Once they (or their immediate family) have spent $1453.90 within a calendar year on PBS-listed medicine, the patient pays only a concessional co-payment rate of $6.10 rather than the normal $37.70.

Currently, there are over 4000 brands of prescription medicine that are covered by the PBS. This includes different brands of the same medicine. There are also a number of drugs not covered by the PBS. These drugs require the patient to pay the full amount. Available medications are reviewed regularly by the Pharmaceutical Benefits Advisory Committee (PBAC). PBAC is an independent committee made up of health professionals who review and consider new medications for inclusion in the PBS.

In 2012–13, over $9 billion was paid out through the PBS. On average, there were more than 9 prescriptions subsidised for every person in Australia (Department of Health & Ageing, 2013).

Case study

**Big rise in number of subsidised high-priced drugs**

*By Dan Harrison*

The number of high-priced drugs being subsidised by the federal government has dramatically increased in recent years as pharmaceutical companies produce more targeted therapies for smaller groups of patients.

The federal health department said there are 61 drugs listed on the Pharmaceutical Benefits Scheme that cost more than $5000 each time they are dispensed.

In 1991, $2800 would have had the same buying power as $5000 today. Yet the most expensive drug listed on the scheme in 1991 cost $843 – less than one-third of this amount.

In response to a question from Liberal senator Linda Reynolds, the department said while there were a similar number of drugs costing $20 or less in 1991 and 2014, ‘the number of higher-cost listings has grown significantly’. More than 300 drugs are listed on the PBS at between $1001 and $5000.

The Pharmaceutical Benefits Advisory Committee, the expert body that recommends medicines for subsidy, is preparing to consider a second application for the listing of Hepatitis C drug Sovaldi.

The committee rejected the drug for listing last July on value-for-money grounds. The Health Department has since revealed the estimated cost of the drug was more than $1 billion over five years.

In the United States, the cost of a 12-week course of Sovaldi is about $US84 000 ($102 000).

Last year, the total cost of the Pharmaceutical Benefits Scheme, which includes more than 3000 drugs, was just over $9 billion.

The most expensive drug on the PBS is Soliris, a treatment for a rare kidney condition, listed on the PBS last December. The average cost of the treatment is more than $500 000 a year per patient for life.

Stephen Duckett, a former head of the federal health department who now heads the health program at the Grattan Institute, said the end of the era of new ‘blockbuster’ drugs – those which provide a benefit to large groups of people, such as cholesterol-lowering medications – had led to the emergence of ‘highly targeted drugs for a very small segment of the population’.

‘You still have quite large drug development costs, and they have to be amortised over much smaller populations which end up as much more expensive drugs per dose.’

Medicines Australia chief Tim James said all drugs listed on the PBS had been rigorously assessed by the Pharmaceutical Benefits Advisory Committee. ‘No other spending in the health portfolio is subject to such stringent assessment of cost effectiveness,’ he said.

Mr James said research and development costs had risen as treatments become more complex and targeted, but reforms that had driven down the price of off-patent drugs by up to 97 per cent ensured the overall cost of the PBS was sustainable. Professor Duckett said ‘the very purpose of the PBS’ was to make expensive drugs accessible by spreading their cost across all taxpayers.

*Source: The Age, 14 January 2015*
3. Quarantine

Australia’s relative geographical isolation from other countries helps control the number of exotic pests and diseases that enter the country. But with international travel becoming more accessible, the risk of diseases entering the country has increased. The federal government plays a major role in protecting our borders and ensuring that people and goods coming to Australia are free from disease. This assists in maintaining Australia’s high levels of health status. Diseases such as malaria and various strains of influenza are common in many countries but are often prevented from infecting people in Australia due to strict quarantine measures. These measures include mandatory reporting of sick passengers on commercial airlines and vessels, spraying inside the cabins of some planes before arrival in Australia and communicating with authorities overseas to monitor infection patterns of certain diseases such as tuberculosis.

4. Funding the health care system

The federal government allocates funds to many aspects of the health system. Specifically, the federal government:

• Funds Medicare and the Pharmaceutical Benefits Scheme
• Provides grants to the states and territories to run hospitals and health services
• Establishes and funds strategies or initiatives considered to be of national importance and relevance, including:
  – National Mental Health Strategy
  – National Palliative Care Strategy
  – Breastscreen
  – Immunisation
  – National Health Priority Areas
• Provides a refund on the cost of private health insurance (private health insurance rebates) for those individuals and families who are eligible
• Establishes grants for the states/territories to provide free hospital treatment in public hospitals for eligible Medicare patients (which includes all Australian citizens)
• Funds and regulates residential aged care.

5. Regulatory roles

The federal government regulates many aspects of the health system to ensure they are carried out effectively. Some examples of this role include:

• Overseeing regulations with regard to pharmaceutical goods. This includes deciding on which medications will be available in Australia. This is based on scientific analysis of the safety and quality of available medicines.
• regulating the private health insurance industry. This involves approving premium (cost) increases and providing incentives for people to take out private health insurance.
• monitoring food safety and regulations. This is done mainly through Food Standards Australia New Zealand, sometimes referred to as FSANZ. FSANZ makes relevant legislation regarding food supply and marketing.

TEST your knowledge
1 Summarise the five primary responsibilities of the federal government with regards to the health system.
2 (a) Define Medicare.
   (b) What does Medicare cover?
   (c) What does Medicare not cover?
3 (a) What is meant by the term ‘schedule fee’?
   (b) What is bulk-billing?
4 (a) What is the Pharmaceutical Benefits Scheme (PBS)?
   (b) What percentage of the schedule fee does Medicare pay if individuals are treated as private patients?

APPLY your knowledge
5 Does Medicare represent the biomedical or social model of health? Explain. (You may need to refer to section 6.1.)
6 Explain how Medicare and the Pharmaceutical Benefits Scheme improve the health status of Australians.
7 (a) According to table 6.2, how has the average number of Medicare services per person changed from 2005–06 to 2013–14?
   (b) Suggest two possible reasons for this change.
8 Use the PBS weblink in your eBookPLUS to answer the following questions.
   (a) What is the current co-payment amount?
   (b) What does this number mean?
   (c) How is the co-payment amount calculated?
9 Use the Medicare weblink in your eBookPLUS to answer the following questions.
   (a) Search the link for the ‘Medicare safety net’.
      i. What is the Medicare safety net?
      ii. Which population groups might benefit from this system?
   (b) Search the link for ‘Medicare online’.
      i. What is Medicare online?
      ii. How does it work?
6.5 State and local governments’ responsibility for health

KEY CONCEPT Understanding Australia’s health system: state and local governments’ responsibility for health

The health system relies on all levels of government in order to function. In the previous section, the role of the federal government was examined. Although the federal government plays a significant role in administering the health system, state and local governments are also essential in providing health care to Australians.

The role of state and territory governments

The state and territory governments focus on the challenges facing the people who live in their state or territory. These governments use a combination of federal and state funds to carry out their responsibilities to health care, which are:

1. delivery of health services
2. regulating state-based services.

These two major responsibilities will be explored in this section.

1. Delivery of health services

The state governments take care of the delivery of a number of health services, including:

• public hospitals
• psychiatric hospitals
• the school health curriculum
• public dental health, which is available to eligible concession card holders and their family, as well as adults with special needs
• maternal and child health, which provides free support, information and advice regarding parenting, child health and development, child behaviour, maternal health and wellbeing, child safety, immunisation, breastfeeding, nutrition and family planning for all families in Victoria with children aged 0–6 years
• implementation at a state level of the National Mental Health Strategy and the National Palliative Care Strategy which includes administration of services relating to patient care, and shifting the focus to community-based care where appropriate
• environmental health programs including emissions guidelines for industry and the monitoring of the quality of the air and water supply
• ambulance services. State governments are responsible for providing an ambulance service, although users pay for this service.

2. Regulatory responsibilities

The state governments regulate certain aspects of the health system, including:

• licensing GPs. Doctors must be registered in the state or territory in which they want to practise medicine. To be eligible for registration, they must demonstrate a set of criteria with regard to training and experience before they can practise medicine. This ensures that doctors practising in each state or territory meet the standards set by the relevant government.
• licensing private hospitals and their relevant operating regulations. Quality controls are put in place by the state/territory governments to ensure private hospitals are run in accordance with guidelines.
• industry regulations. These include regulations for the sale of alcohol and tobacco, advertising requirements and ensuring manufacturers comply with food safety guidelines.
• legislation including road rules and smoking bans. These laws assist in establishing and maintaining healthy environments for the population.

The state governments also look after a range of goods, services and infrastructure that have direct and indirect relationships with health such as road quality, work safety regulations and funding for many projects and organisations such as VicHealth.

The role of local governments

Local governments (sometimes referred to as councils) contribute to the health and wellbeing of their citizens by focussing on the needs and challenges faced by the local people. Funded through a combination of state/territory government grants and rate collection, local governments have specific boundaries and are concerned with what occurs within those boundaries. The responsibilities of local governments include:
• health inspections of restaurants and other commercial kitchens and businesses to ensure health regulations are being followed
• removal of waste (including recycling), weekly rubbish and hard rubbish
• water quality testing
• maintaining parks/sporting facilities and gardens to ensure they are safe and available for use
• monitoring environmental health such as noise and pollution levels
• developing, implementing and enforcing local bylaws such as:
  – those concerning the safe installation and operation of septic tanks when there is no sewerage to the property
  – laws relating to the consumption of alcohol in public places
  – laws relating to waste disposal, such as what can be put in bins
• delivering immunisation (generally through local health care centres)
• maternal and child health centres. Although jointly funded by state and local governments, these centres are usually run by local governments. They employ nurses and other health professionals to deliver health services. The role of these centres is to provide check-ups and advice to parents of children from birth until school age at no cost to the parents.
• meals on wheels services for the elderly and immobile
• Municipal Public Health and Wellbeing Plans (see case study below).

Case study

Municipal Public Health and Wellbeing Plans

The local councils in Victoria are diverse. The health concerns of each local area are different, and the needs of the members of each community are unique. In order to address the diversity that exists within Victoria, the state government made provision for councils to report on their major public health activities in public health plans called Municipal Public Health and Wellbeing Plans (MPHWP). These plans ensure that each local government addresses the specific needs within their community.

Part of the legislation concerning municipal public health and wellbeing planning includes:
‘Every council must prepare at four year intervals a municipal public health and wellbeing plan. The plan must be reviewed annually and required amendments made.

(continued)
6.5 State and local governments’ responsibility for health

‘A municipal public health and wellbeing plan must —
(a) include an examination of data about health status and health determinants in the municipal district;
(b) identify goals and strategies based on available evidence for creating a local community in which people can achieve maximum health and wellbeing;
(c) provide for the involvement of people in the local community in the development, implementation and evaluation of the public health and wellbeing plan;
(d) specify how the Council will work in partnership with the Department and other agencies undertaking public health initiatives, projects and programs to accomplish the goals and strategies identified in the public health and wellbeing plan[.]’

This law requires all local governments to identify dangers to the health of the community (for example, the state of parks and gardens, farm hazards, or health concerns affecting the community such as obesity or alcohol misuse). Strategies can then be implemented that involve the whole community and address the issues previously identified.


Case study review
1 What are Municipal Public Health and Wellbeing Plans?
2 Explain the purpose of Municipal Public Health and Wellbeing Plans.
3 Identify three things that must be included in a Municipal Public Health Plan.
4 Discuss ways that Municipal Public Health and Wellbeing Plans could affect the health status of people living in the community.
5 Identify the principles of the social model of health evident in the law relating to Municipal Public Health and Wellbeing Plans and explain how they are reflected.
6 Use the MPHWP weblink in your eBookPLUS to find the link for this question.

TEST your knowledge
1 Draw a concept map to illustrate the main contributions of federal, state and local governments with regards to health.
2 Where does the funding for local governments come from?

APPLY your knowledge
3 What is the most important role for state and local governments with regard to health? Justify your response, then discuss with a partner.
4 Is indigenous health in the Northern Territory a federal or state/territory government responsibility? Justify your choice.
5 Why is it important for all levels of government to ensure they have a healthy population?
   Explain how each level of government works to address:
   (a) asthma
   (b) cardiovascular disease.
Private health insurance and health system funding

KEY CONCEPT  Understanding Australia’s health system: private health insurance and health system funding

Private health insurance forms an important part of Australia's health system. As well as giving individuals more choice with regards to their health care, private health insurance also contributes significantly to the funding provided by the federal and state governments.

Private health insurance

Private health insurance is a type of insurance under which members pay a premium (or fee) in return for payment towards health-related costs not covered by Medicare. It is additional insurance purchased on top of Medicare.

Private health insurance is an important part of Australia’s health system. As well as contributing much of the necessary funding, it gives Australians choice in the sort of care they wish to access. Private hospitals (which are largely funded by private health insurance companies) provide about a third of all hospital beds and 40 per cent of hospital separations. People can also opt for ‘extras’ cover, which can cover services provided by dentists, physiotherapists and chiropractors, which are generally not covered by Medicare.

Like all insurance policies, private health insurance works by participants paying a premium, which can vary depending on how many people are covered by the policy and the options the policy includes. The basic benefit of most policies is being able to be admitted as a private patient in a public or private hospital with many of the expenses met by the insurance company. Medicare will still pay 75 per cent of the doctor's schedule fee.

People with private health insurance generally have greater choice in terms of hospitals and doctors. As private hospitals charge much more than public hospitals, generally only people with insurance tend to use them. In private hospitals, patients get their choice of doctor, can have their own room and generally don’t have to wait for extended periods for elective surgery, which can happen in the public system.

Private hospitals usually charge more than the schedule fee for services. Generally, private health insurance companies pay the additional costs, but sometimes, the total bill may exceed the amount contributed by the insurance company. In these cases, the patient has to pay the rest (known as ‘the gap’). Many health insurance companies have partnership arrangements with hospitals to ensure that gap payments are kept to a minimum.

![Figure 6.21 Breakdown of fees paid for using private hospitals](image)

Private health insurance incentives

The proportion of people who have private health insurance has varied over the years.

When Medicare was introduced, many people opted out of private health insurance as they could access essential treatments without having to pay expensive...
Private health insurance premiums. This put strain on the public health system as fewer people were using private hospitals.

In order to encourage people back into private health insurance the government introduced three main incentives, (see figure 6.22).

**Private health insurance rebate**

In 1999, the government introduced the 30 per cent rebate incentive. Under this scheme, policy holders received a 30 per cent rebate (or refund) on their premiums for private health insurance. In 2012, this rebate became *income tested*. In 2015, under this arrangement, individual policy holders under the age of 65 received the following rebates:

- individuals with an income under $90,000 received a 29% rebate
- individuals with an income between $90,001 and $105,000 received a 19% rebate
- individuals with an income between $105,000 and $140,000 received a 10% rebate
- individuals with an income over $140,000 received no rebate.

The threshold amounts are higher for families to reflect the extra expenses families have compared to individuals. In 2015:

- families earning under $180,000 received a 29% rebate
- families earning between $180,001 and $210,000 received a 19% rebate
- families earning between $210,001 and $280,000 received a 10% rebate
- families earning more than $280,000 received no rebate.

Eligible policy holders aged between 65 and 70 received an extra 5% rebate, and those aged over 70 received an extra 10% rebate.

Eligible policy holders can opt to pay a reduced premium (with the government contributing the remainder) or pay the total and reclaim the rebate in their tax return. Although the government is paying a substantial amount to fund this incentive, it generates much-needed funds for the health system that would not have been generated otherwise.

**Lifetime Health Cover**

A second incentive is referred to as ‘Lifetime Health Cover’. People who take up private insurance after the age of 31 pay an extra two per cent on their premiums for every year they are over the age of 30. For example, a person who takes out private health insurance at age 40 will pay 20% more than someone who first takes out hospital cover at age 30. This encourages younger people to take up private health insurance.
Medicare levy surcharge

A third incentive is the Medicare levy surcharge. People earning more than $90,000 a year ($180,000 for families) pay an extra tax as a Medicare levy surcharge if they do not purchase private health insurance. The Medicare levy surcharge is calculated according to income and ranges from 1% to 1.5%. This encourages high income earners to take out private health insurance.

**FIGURE 6.23** Changes in private health insurance membership over time

The advantages and disadvantages of private health insurance

The advantages and disadvantages of private health insurance are summarised in table 6.3.

**TABLE 6.3** The advantages and disadvantages of private health insurance

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Enables access to private hospital care</td>
<td>• Costly in terms of the premiums that have to be paid</td>
</tr>
<tr>
<td>• Choice of doctor while in public or private hospital</td>
<td>• Sometimes have a ‘gap’, which means the insurance doesn’t cover the whole fee and the individual must pay the difference</td>
</tr>
<tr>
<td>• Shorter waiting times for some medical procedures such as elective surgery</td>
<td>• Qualifying periods apply for some conditions (e.g. pregnancy)</td>
</tr>
<tr>
<td>• Depending on the level of cover purchased, services such as dental, chiropractic, physiotherapy, optometry and dietetics could be paid for</td>
<td></td>
</tr>
<tr>
<td>• Helps to keep the costs of operating Medicare under control</td>
<td></td>
</tr>
<tr>
<td>• High income earners with private health insurance do not have to pay the additional tax called the Medicare levy surcharge</td>
<td></td>
</tr>
<tr>
<td>• Government rebate for eligible policy holder</td>
<td></td>
</tr>
<tr>
<td>• ‘Lifetime Health Cover’ incentive</td>
<td></td>
</tr>
</tbody>
</table>

Funding the health system

Health expenditure in Australia combines expenditure by the federal, state and territory governments, by private health insurance and by individuals (see figure 6.24).
6.6 Private health insurance and health system funding

FIGURE 6.24 Funds reach the health care system through numerous avenues.

Total expenditure on health in 2012–13 was $147.4 billion compared with an expenditure of $142.0 billion the previous year, an increase of 4 per cent. This represented an average rate of health expenditure in 2012–13 of around $6413 per person.

In 2010–11 total health expenditure as a proportion of gross domestic product was 9.7 per cent; in 1995–96 the proportion was 7.5 per cent. When costs are kept constant to 2012–13 prices, increases in expenditure over time can be analysed as shown in figure 6.25.

FIGURE 6.25 Expenditure on health care over time (figures constant to 2012–13 prices)
About 70 per cent of the health system’s funding comes from the government. Of this, almost two-thirds comes from the federal government with one-third coming from state and local governments. The federal government’s main contribution is through Medicare and the PBS. The Medicare levy and the additional surcharge raised about $10.3 billion in 2013 while Medicare paid out $19.8 billion. As the Medicare levy and surcharge do not generate enough money to fully fund the Medicare scheme, some general taxation revenue is also contributed to Medicare.

Funding for most services is shared between federal and state governments and the private sector, including private health insurance and contributions made by individuals (see figure 6.26).

**FIGURE 6.26** Recurrent health expenditure by area of expenditure and source of funds, 2012–13


TEST your knowledge

1. Explain private health insurance.
2. Identify reasons for declining membership in private health insurance.
3. Describe the three incentives used to encourage people to take up private health insurance.
4. What is a premium?
5. What is the gap?
6. Identify three advantages and three disadvantages of private health insurance.
7. Outline how the Australian health system is funded. You may need to refer to figure 6.24.
8. (a) Identify the top three areas of health expenditure according to figure 6.26.
   (b) Which model of health do these areas reflect?
9. What percentage of health care funding comes from:
   (a) the federal government
   (b) state/territory and local governments
   (c) non-government sources?

APPLY your knowledge

10. Explain how private health insurance can promote:
    (a) the health of individuals
    (b) health status in Australia.
11. Why do you think the government provides incentives for people to take out private health insurance?
12. Why is private health insurance an essential part of Australia’s health system?
14. Explain how spending on the health system has changed over time according to figure 6.25. Suggest two possible reasons for this.
15. Outline two differences between medicare and private health insurance.
6.7 The values that underpin the Australian health system

**KEY CONCEPT** Understanding Australia’s health system: the values that underpin the Australian health system

Australia’s health system is based on a number of values that have been established to ensure we maintain a health system that adequately services the Australian population while maintaining high quality care. There are seven values that provide direction for future decision making with regards to the health system. They are identified in figure 6.27 and described below.

**Effective**

Effective health care relates to achieving desired outcomes:

- in an appropriate timeframe
- in a manner that is tailored to the individual needs of the patient
- by ensuring that health care professionals and the facilities in which they work are of the highest possible standard.

Desired outcomes could relate to the number of patients treated, the rate of improvement in a patient’s condition or the number of people screened for certain conditions. These outcomes must be achieved in a given period of time, otherwise they would not be possible to measure. Ultimately, effectiveness relates to implementing things that work and discarding those that don’t.

Effective care may be different for two patients with the same condition due to a range of factors, such as:

- allergies and reactions to different treatments
- the stage of the disease
• whether the patient has a preference to being treated from home or in a hospital
• the patient’s preference with regards to the type of care they receive
• cultural and/or religious beliefs.

Cancer patients often have the options of surgery or chemotherapy, and both options may be considered effective depending on the individual’s situation.

Health professionals should be well educated in their chosen area. They should have appropriate training and qualifications, and should update their knowledge regularly. Facilities providing health care should also abide by the standards set by professional organisations such as the Royal Australian College of General Practitioners and the Australian Council on Healthcare Standards. This ensures that the people and facilities involved are capable of administering effective health care.

Measuring the effectiveness of the health system can be done by analysing data such as:
• immunisation rates and incidence of vaccine-preventable diseases in a two-year period
• analysing the number of early stage breast cancer diagnoses and subsequent treatments in a given period of time
• improvements in health status in a set period of time
• the amount of professional development and training undertaken by health professionals
• the percentage of facilities meeting standards set by government and non-government organisations.

Efficient

An efficient health system is one that can achieve desired outcomes with cost-effective use of resources.

As resources are limited, they must be used in the best way possible to achieve maximum benefits to the community. Some interventions may be seen as inefficient in that the outcomes received do not reflect the amount of money invested. Quite often, inefficient interventions could be replaced with interventions that produce better value for money.

The management of the health system should also be efficient. This relates to all levels of management, bureaucratic requirements, record keeping and the use of information technology. Sometimes money can be wasted on the management of the health system.

Responsive

The two aspects of this value are:
• treating people with respect. This includes confidentiality, privacy and having input with regards to treatment options
• ensuring the health system is client-oriented.

The health system should be centred on the user’s needs rather than the needs and wants of government bodies and lobbyists. While the care administered may work and be carried out in an efficient manner, it may not take the needs of people into account. People should be at the centre of the health system. This includes receiving immediate treatment in the case of emergencies, having a clean environment and adequate food while in hospital, and having access to social support networks such as family and friends. The level of satisfaction of the public with regard to the health system, the length of waiting lists and the level of access to services are all indicators of responsiveness of the health system.
6.7 The values that underpin the Australian health system

Accessible

Being accessible is defined by the National Health Performance Committee (2009) as the ‘ability of people to obtain health care at the right place and right time irrespective of income, cultural background or physical location’.

This value encompasses the value of equity. Every person who is eligible to use the health system should have the same access regardless of barriers such as distance, discrimination and affordability.

Steps should therefore be taken to provide all Australians with access to health care within a reasonable travelling time from their homes. Emergency care should also be available for all people and health facilities should be open at times that people find convenient. This can be very difficult in rural and remote areas, where the solution to accessing health care may involve the funding of new technologies in medicine, communication and transport, such as air ambulances.

Health care providers should have knowledge of, and be sensitive to, cultural and religious customs and beliefs.

Safe

A safe health system, as defined by the National Health Performance Committee (2009), is one in which there is a focus on the avoidance or reduction to acceptable levels of actual or potential harm from health care management or the environment in which health care is delivered. This value relates to reducing the risks associated with the delivery of health care. In order to achieve this value, health care providers such as doctors and hospitals must evaluate potential risks to the safety of patients and decrease them as much as possible.

Examples of such risks could include:

• infection from the hospital setting
• poor safety within the physical environment such as slippery floors and sharp objects
• risks associated with surgery, including a non-sterile environment
• events such as fire or flooding
• products that could cause negative effects such as bandages, medications and surgical instruments.

Continuous

Continuous health care is defined by the National Health Performance Committee (2009) as the ‘ability to provide uninterrupted, coordinated care/intervention/action across programs, practitioners, organisations and levels over time’.

Individuals may need to access various health services for diagnosis and treatment. When this is necessary, the person may have to make various appointments and deal with numerous health care professionals. This value aims to increase the level of communication and care planning between different health professionals, making the process of care more manageable for the patient. In order to achieve this value, the federal government has introduced a number of Medicare Benefits Schedule (MBS) items relating to communication and conferencing between health professionals. This should therefore make treatment plans more coordinated and continuous, which can improve health outcomes for individuals.

Sustainable

A sustainable health system is one that can ‘provide infrastructure such as workforce, facilities and equipment, be innovative and respond to emerging needs (research, monitoring)’.
This value largely relates to funding. Adequate funding is required to ensure that the health system can continue to evolve with the changing needs of the community. Investment in the workforce, research, monitoring and physical resources ensure that the health system can continue to improve while at the same time provide high quality of care. If funding does not allow the health system to be sustainable then the quality of care will decrease over time.

**TEST your knowledge**

1. Design a silly sentence or acrostic to help you remember the values that underpin Australia's health system.
2. Briefly explain each of the seven values that underpin the health system.
3. What are the two aspects of the responsive value?

**APPLY your knowledge**

4. It is important to be able to measure the values so performance can be monitored. In small groups, suggest one way that each value could be measured.
5. Explain how two values may contribute to improved health states in Australia.
6. Explain how Medicare reflects two values of the health system.
7. Write a short play that focuses on one of the values presented in this section. Act it out and have your classmates try to guess which one is the focus.
8. Rank the values in order of what you think is the most important to the least important. Share and discuss your response with a classmate.
9. Use the AWCH, Women's health service and Peninsula Health web links in your eBookPLUS to find the links for this question.
   (a) Select one philosophy/set of values.
   (b) Read through the philosophy/set of values of the health care organisation and link statements in the philosophy/values with the values covered in this section.
KEY SKILL Analyse the different models of health and health promotion

In order to analyse the different models of health care, an adequate understanding of the models of health care is needed. They are:

• the biomedical model of health
• the social model of health
• the Ottawa Charter for Health Promotion.

It is useful to have an understanding of the following in relation to each model:

• a description of the model including:
  – the focus
  – the principles/aims/elements of each model (where applicable)
• the advantages of the model
• the disadvantages of the model
• examples of strategies that relate to each model.

It is also necessary to be able to apply the knowledge of each model to health care to real life examples.

A summary table, using the headings below, is a good way of collating this information.

<table>
<thead>
<tr>
<th>Model of health</th>
<th>The focus of the model (includes principles, aims and elements)</th>
<th>The advantages of the model</th>
<th>The disadvantages of the model</th>
<th>Examples of strategies/actions that reflect the model</th>
</tr>
</thead>
</table>

For example, consider the ability of the biomedical and social models to decrease Medicare benefits paid to treat cardiovascular disease. It is possible to show how these two models of health differ by considering the degree to which they may be successful in reducing Medicare benefits paid to treat cardiovascular disease.

The biomedical model relies heavily on technology and trained professionals to treat illnesses such as cardiovascular disease. These resources are expensive to establish and maintain. The biomedical model does not focus on people without cardiovascular disease so healthy groups are not targeted and the rate of new cases will generally not decrease, meaning there is a constant strain on the health system making it difficult to decrease medicare benefits paid to treat these diseases.

The social model of health aims to reduce the differences in factors that result in higher rates of cardiovascular disease among particular groups. This can be achieved by empowering individuals and communities with education regarding the determinants of health that contribute to the onset of cardiovascular disease such as tobacco smoking and obesity. This can reduce the prevalence of cardiovascular disease, which in turn reduces the amount of Medicare funding required to treat it. Overall, the social model of health could reduce the Medicare benefits paid to treat cardiovascular disease.

PRACTISE the key skills

1 Make a summary table of the biomedical model, the social model and the Ottawa Charter by completing a table such as that shown above. Be sure to include information under each heading.

2 Explain how the Ottawa Charter for Health Promotion could be used to decrease rates of cancer in Australia.
Key skills exam practice

3 There are many biomedical approaches to health and dental care. Identify one biomedical approach to health care and explain how it could assist in the maintenance of dental health in children. (© VCAA 2003, from the written exam paper, 2003, Q.1e)

4 List four important characteristics of the social model of health. (© VCAA 2006, from the written exam paper, 2006, Q. 3a)

KEY SKILL Identify and explain key components of Australia’s health system

This skill requires a detailed understanding of the key components of Australia’s health system including:
• federal, state and local government responsibilities for health care
• Medicare, the PBS and private health insurance
• funding the health system
• the values that underpin the health system.

Detailed knowledge of all aspects of Australia’s health system should include specific information about each of the components listed above. This includes:
• specific roles of each level of government with regards to health care and how they promote health status
• the services covered by Medicare
• the services not covered by medicare
• how Medicare is funded
• the contribution private health insurance makes to the health system
• the incentives used to encourage people to take out private health insurance
• the contributions made by each level of government and the private sector (private health insurance and individuals) in funding the health system
• how the values that underpin the health system guide future decision making.

An example of this skill could be explaining the role that Medicare plays in improving the health outcomes of Australians.

A possible response could be as follows.

Medicare is Australia’s universal health insurance scheme that provides subsidised or free access to selected health services for all Australians, permanent residents and visitors from countries with a reciprocal agreement with Australia. Medicare provides subsidised consultations with doctors and treatments in public hospitals at no cost to the user. This means that Australians with medical problems can have them checked and treated if necessary thus substantially improving the health of many Australians and contributing to increased life expectancy.

PRACTICE the key skills

5 What is Australia’s universal health insurance scheme called?
6 Explain four values that underpin Australia’s health system.
7 Discuss the contribution private health insurance makes to Australia’s health system.
8 Explain how Medicare is funded.
9 Explain how medicare and the Pharmaceutical Benefits Scheme can promote the health of an individual with cardiovascular disease.
Key skills exam practice

10 Marco has been advised by his parents to take out private health insurance before his 30th birthday.
(a) What is private health insurance?
(b) Why would Marco be advised to take out private health insurance prior to turning 30? (© VCAA 2008, from the written exam paper, 2008, Q. 7d)

11 Explain the role that the Pharmaceutical Benefits Scheme (PBS) plays in improving the health of Australians.

KEY SKILL Describe the role of VicHealth including the mission and strategic priorities

For this key skill, it is necessary to be familiar with VicHealth. Knowledge of the role, mission and strategic priorities of VicHealth is the first step. It is advisable to be familiar with at least two VicHealth-funded projects. Consider the following questions when learning about VicHealth-funded strategies:
1. Who is implementing the project?
2. What is the aim of the project?
3. Where is the project being run?
4. What approaches are being adopted and how are they being implemented?
5. Which population group is being targeted and why?
6. Which aspects of health are the main focus?
7. What are the potential outcomes of this project? How will it improve health or raise awareness?
8. How does the project reflect the social model of health.

Consider the following example, which is a description of VicHealth and includes one role and one strategic priority.

VicHealth is a Victorian government body that works with organisations, communities and individuals to promote health. Specifically, VicHealth funds hundreds of projects each year and carries out research into health promotion.

The mission of VicHealth is to build the capabilities of organisations, communities and individuals in ways that promote health. Based on its mission, VicHealth recognises that social and economic conditions for all people influence health and works to support initiatives that assist individuals, communities, workplaces and broader society to improve wellbeing.

The strategic priorities of VicHealth guide their future directions, including funding and research. The strategic priorities of VicHealth guide their future directions, including funding and research. A current strategic priority for VicHealth is preventing tobacco use. Smoking causes significant negative health outcomes in Victoria. A reduction in smoking can result in reduced incidences of cancer, cardiovascular disease and respiratory conditions.

Read the case study below and answer the questions that follow.

Case study

Good Sports
As part of its strategy to promote health, VicHealth invests in the Good Sports program. This program is an initiative of the Australian Drug Foundation.

The program helps sporting clubs manage alcohol responsibly and reduce alcohol related problems such as binge drinking and drink driving.

Through the Good Sports accreditation program, clubs earn the right to display the Good Sports logo
and benefit from a range of support services. The logo confirms that the club promotes a responsible attitude towards alcohol and that it provides a safe environment for players, members, families and supporters.

The three-level accreditation criteria consist of a set of alcohol management standards for clubs that serve and consume alcohol. One of the key benefits to clubs of registering in the free program is the support that they receive in changing the culture. A project officer assists committee members through the entire process.

The levels begin with level 1 (licor licence, bar management, RSA training, smoke free), progressing through to level 3 whereby the club has an alcohol management policy, food and drink options (with low and non-alcoholic drinks), diverse revenue generation and a safe transport policy. There is also an option for a level 0 for clubs that do not serve or consume alcohol.

Good Sports has been adopted by a diverse range of community sports clubs. It is currently operating in every state in Australia except Western Australia, with a total of over 5600 clubs involved.

There is evidence that community-based sports clubs contribute to alcohol problems by accepting and promoting excessive drinking and providing inappropriate role models for young people.

According to independent research, the Good Sports program is associated with a reduction in short-term risky drinking of about 10%.

### Golden Square Football and Netball Club

In 2004, the Golden Square Football Club was seen by the community as a ‘blokey club that drank a lot of beer’. The alcohol culture at the club was proving a barrier to attracting female and junior members. So the club committed to making a change and turned to Good Sports for help.

Since joining the Good Sports program, Golden Square has implemented a variety of initiatives, including:

- a smoke free policy
- a safe transport policy
- an alcohol management policy
- changes to how their events are run
- changes to fundraising activities
- RSA courses for members.

Despite some early challenges, the club has experienced an obvious and welcomed transformation — the culture has changed from that of a ‘boozy’ club to one that truly values its players, members and families by offering a safe and supportive environment.

The culture shift within the club since joining the Good Sports program has also led to a significant increase in junior registrations, family memberships and sponsorship. Revenue from memberships has jumped from $3000 to $30 000 and sponsorship is up by over $50 000, translating to on-field success with Golden Square winning the last three premierships.

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**PRACTICE the key skills**

12 Explain the role of VicHealth in promoting health in Victoria.
13 (a) Outline VicHealth’s mission.
   (b) Explain how the Good Sports program reflects VicHealth’s mission.
14 (a) What VicHealth strategic priority is the Good Sports program addressing?
   (b) List two other strategic priorities of VicHealth.

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### Key skills exam practice

15 Describe another VicHealth-funded project that you have seen or heard in the media that aims to promote the health of Victorians. Be sure to include:
(a) the aims of the project
(b) the approaches used in the project
(c) how the project reflects VicHealth’s mission
(d) the strategic priorities addressed in the project.

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**KEY SKILL** Identify the principles of the social model of health evident in a VicHealth project

The first step in being able to complete this key skill is to have a thorough knowledge of the principles of the social model of health. This goes beyond knowing the name **Figure 6.32** The Good Sports logo
Key skills Health care in Australia

- It acts to reduce social inequities by targeting females.
- It acts to reduce social inequities by targeting diverse cultural groups.
- People are being empowered by learning new skills.

The following is a project that was funded by VicHealth. The principles of the social model of health evident within the project have been identified.

Case study

**Football Victoria**

Football Victoria, one of 50 state sporting associations supported by VicHealth, is the peak body for the more than 1120 clubs involving 217,000 players across the state. The alliance has already benefited many participants (officials, volunteers, umpires and coaches, as well as male and female players), clubs, leagues and the sport in general.

Some of the initiatives underway include the ‘You Kick Like a Girl...Good for You!’ promotion, the establishment of a junior girls competition, and pathways for females from Auskick to open age and into coaching and umpiring.

Football Victoria is also using the game to bring people together from diverse cultural backgrounds. Opportunities for Koori communities to get involved on and off the field are increasing, and programs are underway to create interest and understanding of the game for children and parents from diverse cultural backgrounds.

Recreational football, a tamer version of the sport which has broader appeal, is being trialled. It’s giving supporters of the game a safer, easier version of the game that has strong parallels with the traditional game.

There are also campaigns aimed at volunteers, coaches and umpires to improve skills and encourage more people to take part.

To help community football clubs enhance their operations and make their club environments more healthy and welcoming to players, officials and members, Football Victoria recently launched an innovative Quality Club Program. With policies and processes in place for the responsible serving of alcohol, removing racism from sport, accommodating people with disabilities, training volunteers, establishing community partnerships, and more, football really will become a game for everyone.

- It acts to reduce social inequities by accommodating people with disabilities.
- People are being empowered by learning new skills.
- Intersectoral collaboration is occurring by establishing community partnerships.

Read the case study below and answer the questions that follow.

Case study

**Art n About**

With support from VicHealth through the Audience Access Scheme, the Geelong Performing Arts Centre worked with the Surf Coast Shire so that older, isolated people outside Geelong could attend the centre’s series of Musical Mornings.

The popular concert series, which has included favourites like *My Fair Lady* and the *Peter Allen Songbook*, is an ideal way to engage people in the community who don’t usually attend arts events because they are isolated or lack money or transport.

The Centre, the Shire and service clubs worked together to make this happen: the Shire’s Meals on
Wheels staff identified socially isolated people, the Shire bought the tickets and provided buses, service club volunteers drove the buses, the Centre paid for the petrol, and a low-cost lunch was provided.

The Geelong Performing Arts Centre also recognised that the limited mobility of some of the attendees affected their confidence in participating in other activities at the centre.

By partnering with a local organisation called CREATE, which specialises in training people who are long-term unemployed, it was able to give many students practical experience in supporting older people with walking/moving difficulties. People attending the performances have benefited greatly from this extra support.

**PRACTISE the key skills**

16 Briefly describe the Art n About project.
17 What VicHealth strategic priority is the Art n About project addressing?
18 List three organisations contributing to the Art n About project.
19 List two principles of the social model of health being addressed by the Art n About project. Discuss how these principles are being addressed.
20 Using another principle of the social model of health as the focus, design another project that could address this VicHealth priority.
Chapter summary

- There are a range of models of health and health promotion in Australia.
- The biomedical model of health care focusses on diseases and ways of treating diseases.
- The social model of health focusses on the social, cultural, environmental and economic determinants that impact on health.
- The principles of the social model of health:
  - address the broader determinants of health
  - involve intersectoral collaboration
  - act to reduce social inequities
  - act to enable access to health care
  - empower individuals and communities.
- There are many health promotion activities that reflect the social model of health including the 'Closing the gap' indigenous campaign, SunSmart, BreastScreen Australia, the Rural Retention Program, Quit, the 'Be a man — talk to your doctor about prostate cancer' campaign and the Shape Up Australia campaign.
- The Ottawa Charter is a set of guidelines to assist health organisations implement programs and initiatives that reflect the social model of health. The prerequisites for improving health are peace, shelter, education, food, income, a stable ecosystem, sustainable resources, and social justice and equity.
- The three strategies for health promotion as outlined in the Ottawa Charter are advocate, enable and mediate.
- The five key priority areas of the Ottawa Charter are:
  - build healthy public policy
  - create supportive environments
  - strengthen community action
  - develop personal skills
  - re-orient health services.
- There are many health promotion activities that reflect the Ottawa Charter. Examples include Healthy Spaces and Places, and Shape Up Australia.
- The Victorian Health Promotion Foundation, or VicHealth, is a government-funded organisation that provides funds and forges partnerships with the goal of health promotion (prevention).
- The federal government has a leadership role with regard to health care. The main role of the federal government is in administering Medicare, the PBS and quarantine. The government also funds the states and territories and regulates the health system.
- Medicare is Australia’s universal health insurance scheme. It provides necessary treatment and hospital care in public hospitals for all Australians.
- The PBS subsidises over 4000 essential medications.
- The state and territory governments run public hospitals and engage in service delivery. They also provide funding to local governments to carry out their work.
- Local governments promote health by focussing on the needs and challenges faced by the local people, such as waste disposal.
- Private health insurance companies play an important role in health care in Australia. They give people wider choice and assist in funding the health system.
- To encourage Australians to take out private health insurance, three incentives were created by the federal government: the Private Health Insurance Rebate, Lifetime Health Cover, and the Medicare levy surcharge.
- The health system is funded thorough contributions by the federal and state governments, through private health insurance companies and through payments made by individuals.
• There are seven values that underpin the health system. They are:
  – effective
  – efficient
  – responsive
  – accessible
  – safe
  – continuous
  – sustainable.

**TEST your knowledge**

1. Briefly explain the following models of health care:
   (a) biomedical model
   (b) social model.

2. Briefly explain the Ottawa Charter.

3. In your own words, explain what is meant by each of the five priority areas of the Ottawa Charter.

4. What is VicHealth and which model of health does it reflect? Give examples of the types of initiatives supported by VicHealth.

5. Copy and complete the following table (yours will need to be bigger than this).

<table>
<thead>
<tr>
<th>Level of government</th>
<th>Responsibilities with regard to health care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td></td>
</tr>
<tr>
<td>State/territory</td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td></td>
</tr>
</tbody>
</table>

6. What does Medicare do?

7. What is the PBS?

8. Draw a table to summarise the advantages and disadvantages of Medicare and private health insurance.

**APPLY your knowledge**

9. Select one strategy that you have studied so far and comment on which priority areas of the Ottawa Charter it addresses.

10. What are the advantages of the biomedical model of health?

11. The government has employed you to decide which model of health (biomedical or social) should receive an increase in funding. Write a proposal outlining which model deserves an increase in funding and why.