



## Health care in the Land Down Under

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*911. What's your emergency?*

*America's healthcare system is broken and people are dying.*

Welcome to Code WACK!, where we shine a light on America's callous healthcare system, how it hurts us and what we can do about it. I'm your host, Brenda Gazzar.

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This time on **Code WACK!** How does Australia's healthcare system work and why is it considered one of the best in the world? What are some of the ways the Australian healthcare system, which they call Medicare, and private health insurance differ from ours? To find out, we interviewed Anna Candler, founder and CEO of the Circular Water Company in Sydney, Australia. Through frequent visits to family in the United States, particularly in Maryland, she's gained firsthand insight into the stark differences between the Australian and American healthcare models. This is the first episode in a two part series.

Welcome to Code WACK! Anna!

**Candler:** Thank you very much Brenda. It's delightful to join you.

**Q:** *Oh, we're so excited to have you from the land down under. So thank you for being here. First, tell us a bit about yourself. Where are you from and what do you do?*

**Candler:** Oh, okay. Well, I'm from sunny downtown Sydney. It's a glorious spring day today. I am the business founder of a company called the Circular Water Company and we work at helping what they would classify as global south countries get away from being dependent on imported bottled water and converting waste plastic into roads.

**Q:** **Wow, so interesting. I love that. When did you found the company?**

**Candler:** I founded the company in 2019 and we're going through an equity raising stage and we're starting with our first country, which is Timor leste otherwise known as East Timor sort of hangs off the east of Indonesia.

***Q: That's wonderful. Australia is one of some 30 countries in the world that has a single payer or Medicare for All type healthcare system. How does it work and what do you like best about it?***

**Candler:** It's weird because it's been in some shape or form, been around since 1975. It used to be called Medibank and then it was called Medicare in 1984. And, and I have to say that even in my sixties, I don't remember what it was like before 1975. It is something that is just universal in Australia. It's accepted that a federal government and state governments are responsible for health and responsible for the health of the citizens and we just accept that rather like the British system, the National Health Service, that it is something that you pay for in your taxes and the government supplies to absolutely everybody. There's no ifs, buts, whys or wherefores.

***Q: Wow. And so what do you like best about it?***

**Candler:** It's simple. You have a standard basic care for everything. You pick your own doctor, to a certain extent you pick your own hospital. There is a private healthcare network which you access if you pay [for] private health insurance. But when push comes to shove, if I'm in a car accident, it doesn't matter, you know, it's not a matter of whose insurance you've got, what insurance you've got, everybody will be treated the same. So private health insurance gives you access to some additional benefits, some dental, some optical, some physiotherapy and for what would be classified as elective surgery. You need your knee replaced, you need your hip replaced. The

elective type surgeries where you decide you really want to pick your own hospital and you really want to pick your own surgeon or specialist, then you would probably end up in the private healthcare system. But if it was a standard, I had a heart attack tomorrow morning, wouldn't care what insurance level I have, the ambulance will come, they'll take me to hospital and that's the end of the question.

***Got it. So if people need urgent or emergency care in Australia, that's covered for everybody – and by the government, not your employer. But if you want something that's considered an elective procedure – which in Australia means a planned, medically necessary surgery that's not performed in an emergency setting – you usually have to have supplemental insurance and pay a little extra. That's for things like hip replacements and cataract extractions.***

**Candler:** The [Australian] government encourages you to take private medical insurance, gives you rebates on your tax for taking private insurance. There [are] some additional benefits if you start your health insurance before you turn 31, you get rebates up to 70% of your medical insurance back on your tax as long as you keep your private health insurance to encourage people to access it.

The gap between what you get on private health insurance and what you pay in out of pocket expenses I have to say is increasing. However, compared to what I understand with the U.S., it's nowhere near that level of cost. You know, you certainly don't see 'are you covered by insurance?' as you walk in the door of a hospital [which] is what I understand happens so often in the U.S. 'Is your insurance up to date? Well we can't treat you. We don't have that here.' And if the closest hospital you got to and an emergency was a private hospital, they'd still treat you.

***Q: Are all supplemental insurance policies in Australia alike or are there different coverage options?***

**Candler:** Well, that depends on what you want. So I don't need maternity leave so I don't take that option. So private insurance gives you a whole range of options. Some are if you swap from one health insurance company to another, you might have a two-month waiting period. The competition is generally no more than six months for waiting periods for certain illnesses just to prevent people sort of doctor shopping or jumping around with serious illnesses or pre-diagnosed symptoms. Does that answer your question?

***Q: Yes. So health insurers in Australia have waiting periods. Now, in the U.S., people are often afraid of getting sick because of the high cost. What about in Australia?***

**Candler:** I mean going to a doctor here, as long as the doctor bulk bills, it costs you nothing, it doesn't cost you a cent. We also have a Pharmaceutical Benefit Scheme, which we'll probably talk about a bit later, going to be treated the flu, go to the doctor to walk out, get a prescription, walk away, nothing to pay. If the doctor doesn't bulk bill, there might be an extra \$20 or \$30 that you would have to pay if you have private health insurance. Some of that would then be rebated, you'd get that back.

As for cancer, it's a completely different system in terms of costs and out of pockets. Medicare would cover all of your costs. There would be some out of pocket expenses, but we'd be talking about \$200 or \$300 a day, maybe \$500 a day for extended stays at hospitals. But in those sorts of things, you would be expected to be treated within the public health system rather than in a private health system. And so there isn't that fear of the cost.

That's certainly something I don't pick up on from anybody here. Elective surgery, yes. But then you are choosing to have that surgery rather than what it would cost to do it. So even advanced costs, special treatment for brain cancers and bits and pieces, it's all taken care of by the medical benefits system.

***Q: When you're taxed by the government for the health system, does everybody get taxed according to their income?***

**Candler:** Salary taxes, yes, there's a sliding scale for your taxes, but when it comes to medical benefits, you are not charged more because you are wealthier. The only extra charges [are] if you are over about \$150,000 or \$180,000, you don't get access to some additional tax relief. The government recognizes in any one year that you will spend \$1,500, it won't rebate you anything on that. But if you have illnesses that take you to \$2,000 or \$3,000, it will rebate you on that amount and that amount is then dependent on your income. Does that make sense?

***Yes, yes.***

**Candler:** And so if you've got high expenses, so a friend of mine had throat cancer, he's of a certain age and he has to have certain pills to take over. Once he gets to the threshold of \$1500 or \$1,700 – don't quote me on the exact number – the rest will be rebated back to him or it will become free because he has hit that threshold.

***Q: So basically nobody's spending more than \$1500 or whatever that number is, unless they're doing an elective procedure?***

**Candler:** Or they're very wealthy. So if, you know, if you were very wealthy and you had that, that's measured on your income, so you wouldn't get any rebate after that because the government accepts that you should be able to pay for it – you can afford to pay the extra for that. You try to make it as equal and even as possible. But there are, as your income goes up, the tax benefits are reduced because the logic is you can afford to pay for it.

***Q: Right, right and how do you feel about that?***

**Candler:** Fine. See no reason for that. I mean, coming to a stage where colonoscopies are required every couple of years, you can choose to have it done privately and pay that cost. You can choose as my doctor does to bulk bill it.

**Bulk billing is when a provider bills Australian Medicare directly for a patient's service and accepts the Medicare benefit as full payment.**

**Candler:** So my colonoscopy costs me \$500 once every two years and that's because that's the out of pocket [cost] I have to pay to the hospital. It's got nothing to do with his fees. His fees get paid by the government. I get to pay that. If I chose another doctor, it might cost me \$2,000 and I might get only \$1200 of that back on the government. That's the way it works. But that's my choice, and not forced on me.

***Q: Got it. And so if someone needs elective surgery like hip replacement can you sign up for supplemental insurance at any time?***

**Candler:** You're not supposed to do that, but the insurance companies frown upon if you've got a pre-existing condition, you're supposed to

declare that you're meant to declare that before you swap. And the insurance company can deny you anything if they feel that it was a preexisting condition and you didn't notify them when you took up their insurance. So if I had major heart issues and I took up insurance, I would have to wait probably at least a year before they would say you've paid enough to do it. They would never not do it, but you would have to wait, there would be a waiting period before you could claim private health insurance for that particular condition.

***Ah, so private health insurers in Australia can impose waiting periods for preexisting conditions.***

**Candler:** So there are waiting periods for certain things. I couldn't walk in today and sign up and have a knee replacement surgery tomorrow.

***Q; Has the waiting period ever been an issue for you?***

**Candler:** No, it certainly hasn't been for me and it certainly hasn't been for any elective surgery because I've managed to pay the private health insurance at all stages and it's more, yeah, it's just a bit of a peace of mind process. But you know, what I choose as my mix of my private insurance has changed from when I might have been with maternal looking at pregnancy things. Now my options are a little more post-65 type medical list that I can pick and choose from. And you can pick and choose how much you want to be out of pocket for your hospital stays. You can pick and choose whether you want physiotherapy, whether you want access to gyms, whether you want, so you can get a gym membership. They'll pay \$400 a year towards your gym membership. Those are the sorts of things that you can do, but you pick and choose what you want based on what you feel you need.



***Q: Yes, is there anything else you want to add concerning supplemental insurance?***

**Candler:** It's considered a discretionary expense and that's one of the things the government's battling with is that as money gets tighter and other issues come into play, cost of living and bits and pieces, people make that decision. Do you reduce the amount of coverage you have? You know, if I was really gonna cut it back, I would just make sure I had extra health, extra cover for my hospital stay and I would drop physiotherapy or I would drop something else. I don't take cover because for certain [coverage] because I don't worry about my knees, I don't take certain cover because I don't worry about those issues. And that's how you get the discretionary income. But it has dropped quite substantially because it's a discretionary, it is very much a discretionary item and when you're balancing your bills – and it's fine if you're single – but if you're a family,,, it's obviously more onerous.

***Q: And if you need a surgery, do some people just pay out of pocket if they don't have private health insurance and they want an elective surgery right now and they don't want to wait?***

**Candler:** Yes, yes. So yeah, if I wanted to have my knees done and I wanted to pay for it, it'd cost me about, depending on which orthopedic surgeon I went to would cost me somewhere between \$20,000 and \$40,000. Some of that would be paid by Medicare regardless. But if the elective and all the other costs around that hospital costs, I could pay that out of my own pocket. Wouldn't make any difference.

***Q: So how expensive are medicines for an average Australian?***

**Candler:** We have a Pharmaceutical Benefit Scheme. So virtually most medicines are on the PBS as we call it here, which means that they're subsidized. So the contraceptive pill is subsidized, vaccinations are subsidized, most medicines are subsidized. Your general doctor's prescriptions. So for example, I think Brenda, we were talking at one stage prior to this. I traveled to the U.S. I forgot to bring my eardrops 'cause I had an ear infection. It blew up again in the us. The medicine that I pay for in Australia was \$7 and it cost me \$150 in the US for exactly the same size bottle for exactly the same size brand. Now, okay, maybe because I'm outside the US health system, that might be expected, but as I understood it, I wasn't paying that much more than what other people would've been paying for it inside the US health system. So here it was just nothing for the doctor, \$7 for the prescription. And most medicines that you want are on that when you get into the top end of cancer treatments and bits and pieces, there is a juggle to get things onto the PBS so that they are covered. But you know, newer surgeries and newer things, they sometimes take some time to get onto the PBS, but it's not something that I see anybody really worrying about too much in terms of cost because you know, if it's recommended, it's here it is.

***Q: Okay, so it sounds like the Pharmaceutical Benefits Scheme is a national program?***

**Candler:** Oh yes.

***For everybody?***

**Candler:** Yes. It's a national program. So an example is Shingrix, the shingles vaccination, the new one in Australia, you know, allowing for

exchange rates. It was nearly \$700 for the two vaccinations. The government decided to make it, put it on the PBS scheme and more importantly – so that cut the cost right back down – but it also made it free for everybody over 65. So I know it's also free since you've had the Affordable Healthcare Act, they also have the same process in the U.S. but that's what happened. So it went from there to right on the PBS and then the government says, 'well if you're over 65, we'll pick up the whole cost.'

***It makes sense because then the government can negotiate for lower rates for everybody.***

**Candler:** Oh, yes.

***Thank you Anna Candler of Australia. Stay tuned for next time when we dive deeper into the differences between the U.S. and Australian healthcare systems.***

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