

## **Review of National Competition Policy Reforms**

Notes for oral presentation by Maternity Coalition, 7 December 2004  
Joy Johnston

This summary is consistent with our written submission to the review.

The Maternity Coalition considers that there is an urgent need for reform of legislation which impacts on the provision of maternity care in Australia. We represent consumers of maternity services in this review.

The medical profession enjoys a monopoly in the provision of maternity care, which effectively prevents women from accessing the same basic service from a midwife. The monopoly of basic maternity care has in part developed and been maintained by:

- the exclusion of midwives from access to rebate under Medicare, or, similar funding being made available for the same services provided by medical practitioners
- the subsidisation of private obstetric maternity care through the private health insurance rebate and Medicare Safety Net.

Basic maternity services are essential for all women in pregnancy, and all mothers and babies during childbirth. These services are within the scope of the midwife's practice in all Australian states and territories. The medical monopoly restricts consumer choice, and does not result in any health benefit for a mother or her child. The monopoly can only be supported in the minority of cases requiring specialist medical care.

With approximately 250,000 births in Australia annually, the medical monopoly of maternity services is an example of a long standing structural problem that prevents the Australian health care system from offering the consumer a reasonable range of basic maternity care options.

We contend that basic maternity care must be delivered from a consumer perspective, with the mother and child central, rather than from a general health services framework which fragments care.

Pregnancy and birth are not an illness. In the majority of cases, a midwife primary carer, with access to referral pathways if and when specialist medical intervention is needed, appropriately cares for women giving birth. We argue that the absence of this basic care option is not in the public interest, does not deliver better health outcomes, and is not appropriate use of health funding.

## **Review of NCP**

The review is to consider areas offering opportunities for significant gains to the Australian economy by removing impediments to efficiency and enhancing competition, including the possibility of a legislation review of current arrangements pertaining to health services.

## **Discussion Draft**

In the Media Release accompanying the Discussion Draft, the Commission's Chairman stated that:

"The Commission argues that there would also be a substantial payoff to extending nationally coordinated reform to the important area[s] of health care...It is now generally accepted that Australia's health system is beset by structural problems that require nationally coordinated action...An independent review of the whole system is needed to provide a roadmap for reform."

The Discussion Draft itself contains the following salient recommendations:

- A more targeted program of legislation review should be put in place and be limited in its scope to areas where reform of anti-competitive legislation is likely to be of significant net benefit to the community.<sup>1</sup>
- Competition related measures will only be a small part of what is required to deliver better outcomes in health care.<sup>2</sup>
- An integrated health services reform program within an agreed national framework would add much needed impetus in addressing the long standing structural problems that are preventing the health care system from performing to its potential.<sup>3</sup>
- The Council of Australian Governments ("CoAG") should initiate an independent public review of Australia's health care system as a whole. The review should include a consideration of health financing (including Federal/State responsibilities and their implications).<sup>4</sup>

The Discussion Draft does not explicitly discuss or recommend a review of maternity services. However, it is clear that the reform needed in maternity services fits with the principles driving the recommendations for reform in health care more generally.

The Commission notes that the scope to achieve better outcomes is indicated by variations in performance of the same service across jurisdictions.<sup>5</sup> Differentials in rates of infant mortality is one set of statistics given by way of example.<sup>6</sup> There are, similarly, many examples of variations in performance and health outcomes across a range of maternity related services, not just between jurisdictions but also between neighbouring hospitals.

The Commission also explicitly acknowledges the importance of giving consumers of health services the ability to exercise choice. The Commission notes that for most human services, including health, the notion of choice goes well beyond mere choice of service provider, to include the location, type and mix of services. This could not be more true than of maternity care.<sup>7</sup>

---

<sup>1</sup> at p.230

<sup>2</sup> at p.287

<sup>3</sup> at p.241

<sup>4</sup> at p.291

<sup>5</sup> at p.244

<sup>6</sup> at p.245

<sup>7</sup> at p.254

Maternity care is a significant aspect of health services, and is responsible for the most number of hospital 'bed days' across all health conditions annually. Maternity care is clearly an area that requires scrutiny under the terms and conditions of this current review. We urge the review to conclude that national competition policy reform of basic maternity funding in the interest of consumer safety, access and choice, is needed within the government's health reform agenda.