

6 Australia's health system

Unit	3	Australia's health in a globalised world
Area of Study	2	Promoting health and wellbeing
Topic	6	Australia's health system
Subtopic	6.2	Medicare

Summary



Medicare is administered by the federal government and is available to all Australians.

- **Medicare** is Australia's universal health insurance scheme, established in 1984.
- It is funded through the Medicare levy, the Medicare levy surcharge and general taxation.
- Medicare subsidises or covers the complete cost of essential health services, including GP and specialist consultations, public hospital admissions, x-rays and pathology tests.
- Medicare does not cover the cost of ambulance service, private dentist consultations, the majority of costs associated with private hospital admissions, or allied and alternative health services.

Medicare term	Description
Bulk-billing	The medical service charges only the schedule fee, which is claimed directly from Medicare, hence there are no out-of-pocket expenses for the patient.
Schedule fee	The amount the federal government has set for a medical procedure or service. It is often much lower than what the medical service costs.
Out-of-pocket costs (gap payments)	The amount the medical service costs the patient once the schedule fee has been paid by Medicare.
Medicare Safety Net	Financial assistance for high out of pocket costs for medical services covered under Medicare. Once individuals and/or families reach a certain financial threshold, Medicare will pay 80% of the subsequent out of pocket medical cost covered under Medicare for the remainder of the calendar year.



To answer questions online and to receive **immediate feedback** and **sample responses** for every question, go to your learnON title at www.jacplus.com.au.

Past VCAA exam questions

Source: VCAA 2015, *Health and Human Development Exam, Q2c*

Question 1

The Australian healthcare system consists of private health insurance, Medicare and the Pharmaceutical Benefits Scheme (PBS).

Provide one similarity and one difference between Medicare and the PBS.

2 marks

Source: VCAA 2015, *Health and Human Development Exam, Q11c*

Question 2

Mavis is 76 years old and has been diagnosed with colorectal cancer. Her family is devastated by this diagnosis as Mavis has been an outgoing, independent woman. As a result of her diagnosis, Mavis has had to visit the doctor more regularly to ensure management of the condition and to be prescribed appropriate medication.

Identify two services covered by Medicare that Mavis could access as a result of her diagnosis.

2 marks

Source: VCAA 2016, *Health and Human Development Exam, Q1a*

Question 3

List **one** service that is covered by Medicare and explain how this service can improve the health status of Australians.

2 marks

Exam practice questions

Source: VCAA 2012, Health and Human Development Exam, Section A, Q8b

Question 4

In 2011, the Australian Institute of Health and Welfare released a report called 'The health of Australia's males'. It reported that one in six Australian males did not use Medicare services in 2008–2009. This number is lower than that for females.

Explain how Medicare is funded.

2 marks

Source: VCAA 2012, Health and Human Development Exam, Section A, Q8d

Question 5

In 2011, the Australian Institute of Health and Welfare released a report called 'The health of Australia's males'. It reported that one in six Australian males did not use Medicare services in 2008–2009. This number is lower than that for females.

List two health services males might use that could be claimed through Medicare.

2 marks

Source: Adapted from VCAA 2010 Health and Human Development Exam, Section A, Q3

Question 6

Explain how Medicare may influence the health status of Australians.

3 marks

Source: VCAA 2013, Health and Human Development, Section A, Q8

Question 7

Outline two examples of how Medicare is different from private health insurance.

2 marks

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 8

Medicare is

- A. optional health insurance that you choose to take out.
- B. health insurance that covers individuals and families for some of the costs of allied health services.
- C. funded by the state and local governments.
- D. subsidised health care for essential health services. **1 mark**

Source: *VCAA 2014 Health & Human Development Exam, Q3*

Question 9

Dental services are generally not covered by Medicare. However, in January 2014 the Child Dental Benefits Schedule was introduced. It provides financial support for basic dental services for children. To be eligible for these benefits:

- the child must be aged 2–17 years
 - the child’s family must receive certain government benefits, such as Family Tax Benefit Part A, for at least part of the calendar year
 - the child must be eligible for Medicare. **5 marks**
- a. State **one** value that underpins the Australian health system and explain how it is evident in the Child Dental Benefits Schedule. **3 marks**

- b. List two other health services not covered by Medicare. **2 marks**

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 10

What percentage of out-of-pocket costs are covered once the Medicare safety net is reached? **1 mark**

- A. 70%
- B. 80%
- C. 90%
- D. 100%

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 11

A fixed dollar amount set down by the federal government for a medical service or procedure is also known as **1 mark**

- A. the Medicare Safety Net.
- B. bulk billing.
- C. out-of-pocket expenses.
- D. a schedule fee.

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 12

Explain the Medicare Safety Net. **2 marks**

Unit	3	Australia's health in a globalised world
Area of Study	2	Promoting health and wellbeing
Topic	6	Australia's health system
Subtopic	6.3	Pharmaceutical Benefits Scheme and the National Disability Insurance Scheme

Summary



The PBS ensures low-cost essential medicines to all Australians. Approximately 5000 essential medications are subsidised under the PBS.

- The **Pharmaceutical Benefits Scheme (PBS)** is the Australian federal government's subsidised scheme for essential medicines.
- The government and consumers share the cost of prescription medicines. Consumers have to make a co-payment for each prescription medicine they receive. In 2017, this cost is \$38.80 or \$6.30 for concession card holders.
- Not all medicines are covered under the PBS.



The NDIS provides eligible participants with funding, e.g. to provide a wheelchair to assist mobility.

- The **National Disability Insurance Scheme (NDIS)** was established by the federal government and is an insurance scheme that provides services and support for Australians with permanent, significant disabilities, their families and carers.
- The NDIS develops individualised plans for eligible participants, to assist with:
 - accessing mainstream and community services and support, such as medical professionals, teachers, sports clubs and libraries
 - maintaining informal support services, such as family and friends
 - funding that is considered reasonable and necessary, such as wheelchairs, walking frames and shower stools.



To answer questions online and to receive **immediate feedback** and **sample responses** for every question, go to your learnON title at **www.jacplus.com.au**.

Exam practice questions

Source: VCAA 2012, *Health and Human Development Exam, Section A, Q3a*

Question 1

The Australian Government is responsible for administering the Pharmaceutical Benefits Scheme (PBS).
What is the PBS? **2 marks**

Source: VCAA 2012, *Health and Human Development Exam, Section A, Q3b*

Question 2

The Australian Government is responsible for administering the Pharmaceutical Benefits Scheme (PBS).
Explain how the PBS may improve the health status of Australians. **2 marks**

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 3

The Pharmaceutical Benefits Scheme (PBS) is **1 mark**

- A. the Australian government's subsidised scheme for essential medicines.
- B. the Australian government's subsidised scheme for essential medical services.
- C. the Australian government's free essential medicines scheme.
- D. the Australian government's subsidised scheme for all medicines.

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 4

Which of the following statements is false in regard to the Pharmaceutical Benefits Scheme (PBS)? **1 mark**

- A. The Pharmaceutical Benefits Scheme (PBS) has a safety net to protect consumers from large out-of-pocket costs for essential medicines.
- B. The Pharmaceutical Benefits Scheme (PBS) requires a co-payment from the consumer.
- C. The Pharmaceutical Benefits Scheme (PBS) covers all medicines available in Australia to treat illness and disease.
- D. The Pharmaceutical Benefits Scheme (PBS) provides cheaper medicines for concession card holders.

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 5

Outline one similarity and one difference between the Pharmaceutical Benefits Scheme (PBS) and Medicare. **2 marks**

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 6

The National Disability Insurance Scheme (NDIS) provides

1 mark

- A. services and support for people with permanent and significant disabilities.
- B. services and support for families of people with permanent and significant disabilities.
- C. services and support for carers of people with permanent and significant disabilities.
- D. All of the above

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 7

To become eligible for the National Disability Insurance Scheme, an individual must

1 mark

- A. be a health care card holder.
- B. have a permanent disability that affects their everyday life.
- C. have been injured in a workplace accident.
- D. All of the above

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 8

The National Disability Insurance Agency (NDIA) was established in 2013 by the federal government. It works to assist individuals with disabilities to live an ordinary life.

Using an example, describe how the National Disability Insurance Scheme assists individuals with disabilities to live an ordinary life.

2 marks

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 9

Outline two ways the National Disability Insurance Scheme assists people with permanent disabilities.

2 marks

Unit	3	Australia's health in a globalised world
Area of Study	2	Promoting health and wellbeing
Topic	6	Australia's health system
Subtopic	6.4	Private health insurance

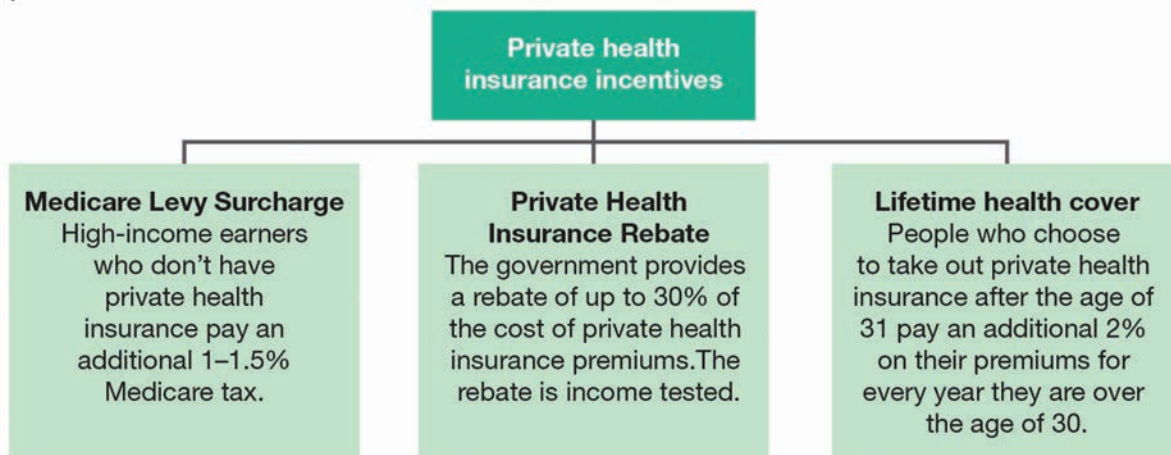
Summary



BUPA is an example of a private health insurance provider.

- **Private health insurance (PHI)** is optional health insurance that individuals and families take out in addition to Medicare.
- Private health insurance provides subsidised cover for health needs that Medicare does not cover, such as private dentists, private hospital accommodation, allied health services (e.g. physiotherapists), glasses and hearing aids.
- People take out private health insurance to:
 - enable shorter wait time for elective surgery
 - cover services not covered by Medicare
 - have a choice of doctor in hospital.

- The three incentives introduced by the government to encourage people to take out private health insurance are:



My notes

- Medicare:

Advantages	Disadvantages
<ul style="list-style-type: none"> • Available to all Australians • Subsidised health care • Choice of GP and specialists out of hospital 	<ul style="list-style-type: none"> • Not all health services are covered • No choice of doctor in hospital • May be out-of-pocket costs for health services
- Private health insurance (PHI):

Advantages	Disadvantages
<ul style="list-style-type: none"> • Choice of hospitals and doctors within hospitals • Shorter wait for elective surgery • Subsidised cover for allied health services 	<ul style="list-style-type: none"> • Expensive and consumers may never use it • Waiting periods apply before PHI can be used (usually 3 months) • Often the consumer will still have out-of-pocket costs

My notes



To answer questions online and to receive **immediate feedback** and **sample responses** for every question, go to your learnON title at **www.jacplus.com.au**.

Past VCAA exam questions

Source: VCAA 2015, *Health and Human Development Exam, Q2a*

Question 1

The Australian healthcare system consists of private health insurance, Medicare and the Pharmaceutical Benefits Scheme (PBS).

What is private health insurance?

2 marks

Source: VCAA 2008 *Health and Human Development Exam, Q7dii*

Question 2

Marco has been advised by his parents to take out private health insurance before his 30th birthday.

Why would Marco be advised to take out private health insurance prior to turning 30?

2 marks

Exam practice questions

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 3

Private health insurance provides subsidised cover for

1 mark

- A. GP consultations.
- B. accommodation in a public hospital
- C. allied health services such as physiotherapists.
- D. All of the above

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 4

Private health insurance

1 mark

- A. is optional health insurance that individuals and families take out in addition to Medicare.
- B. provides subsidised cover for private hospital accommodation.
- C. provides cover for health services not covered by Medicare.
- D. All of the above

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 5

Outline three reasons why people take out private health insurance.

3 marks

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 6

A Federal Government policy is to give a tax rebate to those people who hold private health insurance. Why would the Federal Government have this policy?

1 mark

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 7

The Medicare levy surcharge is where

1 mark

- A. the government provides a rebate of up to 30% of the cost of private health insurance premiums. The rebate is income tested.
- B. high income earners who don't have private health insurance pay an additional 1–1.5% Medicare tax.
- C. people who choose to take out private health insurance after the age of 31 pay an additional 2% on their premiums for every year they are over the age of 30.
- D. financial assistance is provided for high out-of-pocket costs for medical services covered under Medicare.

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 8

The Private Health Insurance Rebate is where

1 mark

- A. the government provides a rebate of up to 30% of the cost of private health insurance premiums. The rebate is income tested.
- B. high income earners who don't have private health insurance pay an additional 1–1.5% Medicare tax
- C. people who choose to take out private health insurance after the age of 31 pay an additional 2% on their premiums for every year they are over the age of 30.
- D. financial assistance is provided for high out-of-pocket costs for medical services covered under Medicare.

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 9

The federal government introduced three incentives to encourage people to take out private health insurance. Identify and explain one of these incentives.

2 marks

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 10

Which of the following is not an advantage of Medicare?

1 mark

- A. Medicare provides low cost health care to all Australians.
- B. Medicare does not cover most dental treatments.
- C. Medicare provides free treatment in a public hospital.
- D. Medicare covers the complete costs of a bulk billed medical service.

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 11

Which of the following is not an advantage of private health insurance?

1 mark

- A. Private health insurance covers some of the cost of allied health services.
- B. Private health insurance allows choice of doctor in hospital.
- C. Private health insurance is expensive.
- D. Private health insurance allows choice of hospital.

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 12

Outline one advantage and one disadvantage of private health insurance.

2 marks

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 13

Outline one advantage and one disadvantage of Medicare.

2 marks

Unit	3	Australia's health in a globalised world
Area of Study	2	Promoting health and wellbeing
Topic	6	Australia's health system
Subtopic	6.5 & 6.6	Funding and sustainability/Access and equity

Summary

Funding	<ul style="list-style-type: none"> The Australian health care system is funded by: 64% federal, state and local governments, 35% private sector, 1% by individuals.
Sustainability	<ul style="list-style-type: none"> The system must be sustainable in order to continue providing a high level of health care to all individuals. This is achieved through: <ul style="list-style-type: none"> ➤ an efficient and well trained workforce ➤ adequate funding and regulation ➤ research, monitoring and promoting disease prevention.
Access	<ul style="list-style-type: none"> The system needs to provide timely access to quality health services based on need, not ability to pay or where a person lives.
Equity	<ul style="list-style-type: none"> The system must ensure equity for all, providing those who are the most disadvantaged with the most support. This is achieved through interventions such as Medicare and the Medicare Safety Net, NDIS, PBS and public dental services.

My notes



To answer questions online and to receive **immediate feedback** and **sample responses** for every question, go to your learnON title at www.jacplus.com.au.

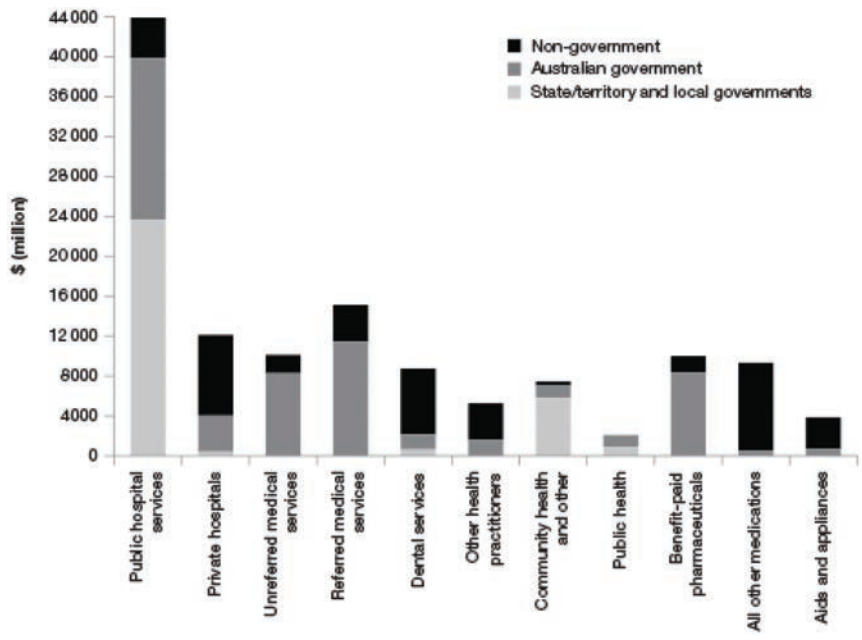
Exam practice questions

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 1

Review the data in the graph.

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



Source: AIHW, *Health expenditure in Australia, 2012–13, 2014.*

Private hospital services receive most of their funding from

1 mark

- A. non-government sources
- B. the Australian government.
- C. state/territory and local governments.
- D. All of the above

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 2

A sustainable health care system can be achieved by

1 mark

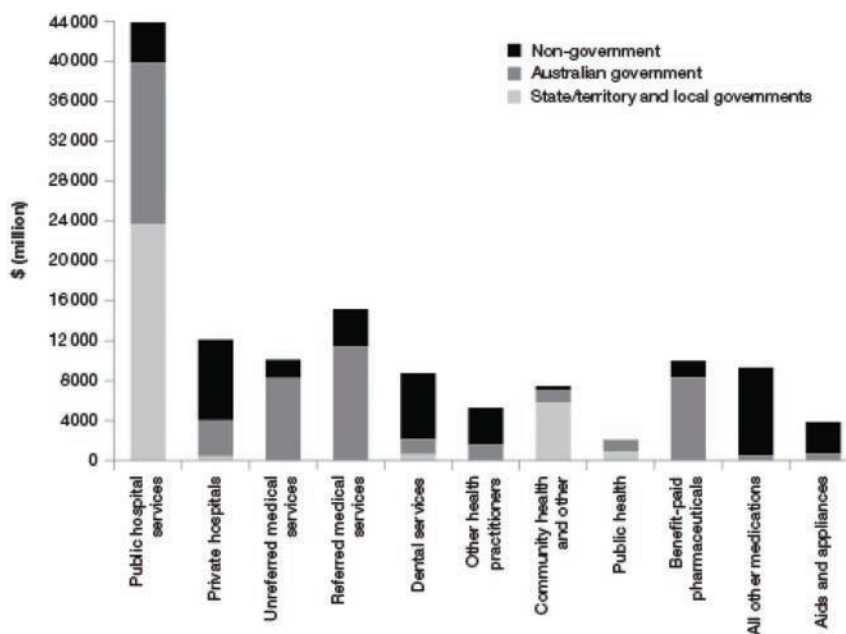
- A. an efficient and well trained workforce.
- B. adequate funding and regulation.
- C. research, monitoring and promoting disease prevention.
- D. All of the above

Source: *Jacaranda (John Wiley & Sons Australia, Ltd), Practice VCE Question*

Question 3

Review the data in the graph

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



Source: AIHW, *Health expenditure in Australia, 2012–13, 2014.*

Identify one example of health expenditure where the Australian government is responsible for most of the funding and describe how this example improves the health status of Australians.

3 marks

Answers and marking guide

6.2 Medicare

Question 1

Similarity

Both Medicare and the PBS are subsidised by the federal government and provide low-cost healthcare to all Australians.

Difference

Medicare provides low-cost health services such as free treatment in a public hospital, whereas the PBS provides a subsidised cost for essential medicines.

Award 1 mark for a valid similarity.

Award 1 mark for a valid difference.

Question 2

Services that could be chosen include:

- x-rays
- blood tests
- consultation with a GP
- surgery costs in a public hospital
- consultation with a medical specialist.

Award 1 mark for each service covered by Medicare.

Question 3

Medicare subsidises the cost of x-rays and blood tests. This encourages people to use these diagnostic tools, which will improve health status as an illness or injury can be diagnosed and then treated reducing risk of morbidity and mortality.

Award 1 mark for an example of a Medicare service.

Award 1 mark for an explanation on how the chosen service improves health status.

VCAA Assessment Report note:

Most students were able to identify a service covered by Medicare, although the explanation of how the service could improve the health status of Australians was a little more challenging for some students.

The following is an example of an appropriate response.

GP visits – some or all of the cost involved in GP visits is covered by Medicare, which can encourage people to take action quickly when they become unwell, and this may reduce morbidity and mortality rates if treatment can be prescribed early.

Other relevant examples were: specialist consultations, pathology tests, X-rays, surgery and in-hospital treatment.

Question 4

Medicare is funded:

- by the Medicare levy, which is 2% of taxable income
- through general taxation
- through the Medicare levy surcharge.

Award 1 mark for each of two points on how Medicare is funded.

Question 5

Any of the following would be awarded 1 mark.

- GP consultations for the diagnosis or treatment of illness or disease
- Diagnosis of prostate cancer
- Eye tests at participating optometrists

- Diagnostic procedures; for example, x-rays and blood tests
- Specialist consultations for the diagnosis or treatment of illness or disease

VCAA Assessment Report note:

Many students simply wrote doctors or hospitals but these were not acceptable; services, treatments or consultations needed to be mentioned.

Services that are not claimable through Medicare include: dental treatment, physiotherapy, osteopathic treatment, ambulance services, public hospital treatment (not claimable through Medicare as service is provided by state/federal funding).

Question 6

Explanation may include:

- Medicare is universal — all Australians have access to affordable medical care. This enables them to attend health services (such as a general practitioner) to have regular health checks, improving health status as illness can be treated or prevented from becoming chronic conditions.
- Vaccinations are available at a subsidised cost through Medicare. This improves health status as people can access them to reduce morbidity and mortality from contagious diseases like measles and hepatitis A and B.
- Access to medical treatment is available to all Australians through public hospitals, subsidised general practitioners and specialists, including tests (for example, pathology) and x-rays that help to accurately diagnose and treat medical conditions, reducing morbidity and mortality.
- Access to eye tests or optometrists is free; this helps to diagnose vision problems and enable appropriate treatment or management.

Award 1 mark for each of three influences.

Question 7

Award 1 mark for each of two examples of how Medicare differs from private health insurance.

- Medicare is a compulsory health care scheme available to all Australians whereas private health insurance is optional—you choose to have it. [1 mark]
- Medicare is funded by the Federal Government through taxation. Private health insurance is paid for by individuals. [1 mark]

Medicare covers essential health services such as GPs, specialists and public hospitals, while private health insurance can be purchased for health services not covered by Medicare; for example, dentists, physiotherapists and chiropractors. [1 mark]

VCAA Assessment Report note:

Some students were able to provide two examples of how Medicare differs from private health insurance, but many students were unable to demonstrate the differences.

Question 8

Correct Answer is D

Medicare is subsidised health care for essential health services.

Medicare is funded by the federal government, not the state governments.

‘Optional health insurance that you choose to take out’ and ‘health insurance that covers individuals and families for some of the costs of allied health services’ are examples of private health insurance.

Question 9

a. Sustainable

To be eligible for the Child Dental Benefits Schedule, the child’s family must receive certain government benefits. This ensures sustainability of the program as the program is only funding dental care to eligible children. Funding a program that gives all Australian children access to free dental checkups may not be sustainable.

Efficient

This value aims to achieve desired outcomes with cost-effective use of resources. Access to free dental checkups for children from low socioeconomic backgrounds (those who receive Family Tax Benefit Part A) is a desired outcome for governments. Funding only basic dental services is a cost-effective use of resources.

Award 1 mark for identifying a value that underpins the Australian Health System — better choices include accessible, efficient and sustainable.

Award 1 mark for including an example from the information provided that links to the chosen value.

Award 1 mark for explaining how this example reflects the chosen value.

VCAA Assessment Report note:

Students needed to identify a value that underpins the Australian health system and explain how the selected value is evident in the Child Dental Benefits Schedule. While many students were able to identify a relevant value, others had difficulty applying the meaning of the value to the details provided on the Child Dental Benefits Schedule. While any of the seven values were appropriate for one mark, students who selected the value of accessible, efficient or sustainable were able to apply this to the Child Dental Benefits Schedule. The values of responsive, safe, effective and continuous were more difficult to apply.

Overall, question 3 A and B was not answered well.

The following is an example of a high-scoring response:

Accessible: relates to all Australians having equal access to health care irrespective of income. This is reflected in the Child Dental Benefits Scheme because it is available to families who have low incomes, as they must receive certain government benefits (family tax Benefit part A) for part of the year. It is therefore ensuring that all people including those with low incomes can access dental health services.

b. Examples of services:

- Physiotherapy at a private clinic
- Podiatry service at a private clinic
- Chiropractic services
- Alternative health services
- Treatment in a private hospital
- Cosmetic surgery
- Home nursing care
- Ambulance transport

Award 1 mark for each health service identified.

VCAA Assessment Report note:

Many students provided examples of health products such as glasses rather than health services.

Question 10**Correct Answer is B**

80% of out-of-pocket costs are covered once the Medicare Safety Net is reached.

Question 11**Correct Answer is D**

A schedule fee is a fixed dollar amount set down by the federal government for a medical service or procedure.

Question 12

The Medicare Safety Net is financial assistance for high out-of-pocket costs for medical services covered under Medicare. Once individuals and/or families reach a certain financial threshold, Medicare will pay 80% of the subsequent out-of-pocket medical cost covered under Medicare for the remainder of the calendar year.

Award 1 mark for recognising that the Medicare Safety Net protects families and individuals from high out-of-pocket medical costs that are covered under Medicare.

Award 1 mark for recognising that Medicare will cover 80% of future out-of-pocket costs for medical expenses covered under Medicare.

Question 13

The schedule fee is the amount set down by the federal government that a medical service should cost. This is the amount that Medicare will pay for a medical service. [1 mark]

Often medical services cost more than the schedule fee. The difference between the schedule fee and the total cost of the medical service is known as out-of-pocket or gap costs. [1 mark]

Question 14

Bulk billing is when the medical service charges the scheduled fee and the cost to consumer is free. [1 mark]

6.3 Pharmaceutical Benefits Scheme and the National Disability Insurance Scheme

Question 1

2 points need to be made — 1 mark awarded for each accurate point related to the PBS.

Sample answer:

The Pharmaceutical Benefits Scheme (PBS) is a Federal Government-funded scheme that subsidises the cost of a wide range of prescription medications. [1 mark]

Not all medications are covered under the PBS, only those deemed essential to the needs of the Australian public. [1 mark]

Question 2

1 mark awarded for an accurate example about the PBS.

1 mark for how this example improves health status.

Sample answer:

PBS medicines are low-cost medicines available to all Australians regardless of ability to pay. [1 mark]

This will improve the health status of Australians as people can use low-cost medicines to treat illness (such as asthma), reducing morbidity, and because most are effective in curing diseases, mortality will also decrease. [1 mark]

Question 3

Correct Answer is A

The Pharmaceutical Benefits Scheme (PBS) is the Australian government's subsidised scheme for essential medicines.

Question 4

Correct Answer is C

The Pharmaceutical Benefits Scheme (PBS) does not cover all medicines available in Australia to treat illness and disease. Only essential medicines are included on the Pharmaceutical Benefits Scheme.

Question 5

Similarities could include:

- Both are funded by the federal government.
- Both have a safety net to protect from high out-of-pocket medical expenses.

Differences could include:

- Medicare subsidises essential health services, the PBS subsidises essential medicines.
- PBS requires a co-payment for the cost of medicines, whereas some aspects of Medicare are free, such as public hospitals.

- Some medical services through Medicare can be bulk billed, whereas the PBS does charge a small amount for all essential medicines — this is known as the co-payment.

Award 1 mark for a valid similarity.

Award 1 mark for a valid difference.

Question 6

Correct Answer is D

The National Disability Insurance Scheme (NDIS) provides services and support for people with permanent, significant disabilities, their families and carers.

Question 7

Correct Answer is B

To become eligible for the National Disability Insurance Scheme, an individual must have a permanent disability that affects their everyday life.

Question 8

The National Disability Insurance Scheme (NDIS) provides funding for wheelchairs and other assisted technologies. This would help a disabled person live an ordinary life as it would increase mobility and allow the individual to be less dependent on others.

Award 1 mark for an example of what the National Disability Insurance Scheme does.

Award 1 mark for how this example helps individuals with a disability live an ordinary life.

Question 9

Responses could include:

- accessing mainstream and community services and support, such as medical professionals, teachers, sports clubs and libraries
- maintaining informal support services, such as family and friends
- funding for resources that are considered reasonable and necessary, such as wheelchairs, walking frames, shower stools.

Award 1 mark each for any two valid responses.

Question 10

Suggested answers could include:

- The National Disability Insurance Scheme provides support for disabled people to reconnect with their communities; this may be in the form of assisting a disabled person to join a sport or interest group. This can help promote the social health and wellbeing of the individual as they will increase their communication skills as they build a new network of friends.
- The National Disability Insurance Scheme provides support for disabled people and assists them in accessing mainstream services such as doctors. This would promote the mental health and wellbeing of a disabled person as it could assist in reducing stress and worry of how they would be able to get to their medical appointments.

Award 1 mark for an example of what the National Disability Insurance Scheme does.

Award 1 mark for how this example promotes social or mental health and wellbeing.

6.4 Private health insurance

Question 1

- Private health insurance is optional health insurance that is taken out in addition to Medicare.
- It can include private hospital cover and extra cover for allied health services such as physiotherapy.

Award 1 mark for each relevant point made about private health insurance. Maximum of 2 marks.

Question 2

Award 1 mark for recognising life-time health cover as the correct response.

Award 1 mark for explaining what life time cover is.

Sample answer:

In 1999 the Federal Government introduced 'lifetime health cover', [**1 mark**] meaning that people who signed up for private health insurance by the age of 30 would receive cheaper premiums.

After the age of 30, Marco would pay 2 per cent extra for insurance for each year of age over 30. It would therefore be cheaper for him to take out private health cover before turning 30. [**1 mark**]

VCAA Assessment Report note:

Students needed to identify and then explain 'lifetime health cover' (but did not have to name it) as the reason for Marco being advised to take out private health insurance before he turns 30. Students must have shown an understanding of the principles of life time health cover. Many students were unable to answer this question.

Question 3**Correct Answer is C**

Private health insurance provides subsidised cover for allied health services such as physiotherapists.

GP consultations and accommodation in a public hospital are covered under Medicare.

Question 4**Correct Answer is D**

Private health insurance is optional health insurance that individuals and families take out in addition to Medicare. It provides cover for health services not covered by Medicare, such as providing subsidised cover for private hospital accommodation.

Question 5

Valid reasons could include:

- shorter waiting lists in a private hospital for elective surgery
- to provide cover for health services not covered by Medicare, such as dental treatment
- to have a private room in a public or private hospital
- to have choice of doctor in hospital.

Award 1 mark for each of three valid reasons.

Question 6

To encourage people to take out private health insurance, which reduces costs in the public health system, thus saving the government money. [**1 mark**]

Question 7**Correct Answer is B**

The Medicare levy surcharge is where high income earners who don't have private health insurance pay an additional 1–1.5% Medicare tax.

Question 8**Correct Answer is A**

The Private Health Insurance Rebate is where the government provides a rebate of up to 30% of the cost of private health insurance premiums. The rebate is income tested.

Question 9

The federal government's three incentives are:

- Medicare levy surcharge — high income earners who don't have private health insurance pay an additional 1–1.5% Medicare tax.

- Private Health Insurance Rebate — the government provides a rebate of up to 30% of the cost of private health insurance premiums. The rebate is income tested.
- Lifetime Health Cover — people who choose to take out private health insurance after the age of 31 pay an additional 2% on their premiums for every year they are over the age of 30.

Award 1 mark for identifying one of the incentives.

Award 1 mark for explaining one of the incentives.

Question 10

Correct Answer is B

Medicare does not cover most dental treatments, which is a disadvantage of Medicare.

Question 11

Correct Answer is C

Private health insurance is considered expensive, which is a disadvantage of private health insurance.

Question 12

Advantages of private health insurance include:

- choice of public or private hospitals and doctors within hospitals
- shorter wait time for elective surgery
- subsidised cover for allied health services
- helps to reduce elective surgery wait times in the public health system if more people have private health insurance.

Disadvantages of private health insurance include:

- private health insurance is expensive and consumers may never use it
- waiting periods apply before private health insurance can be used (usually three months)
- often the consumer will still have out-of-pocket costs.

Award 1 mark for a valid advantage of private health insurance.

Award 1 mark for a valid disadvantage of private health insurance.

Question 13

Advantages of Medicare include:

- available to all Australians
- subsidised health care
- choice of GP and specialist out of hospital
- has the Medicare Safety Net to protect individuals from large out-of-pocket medical expenses.

Disadvantages of Medicare include:

- not all health services are covered
- no choice of doctor in hospital
- may be out-of-pocket costs for health services
- ambulance and dental treatment is not included under Medicare
- lengthy wait times for elective surgery.

Award 1 mark for a valid advantage of Medicare.

Award 1 mark for a valid disadvantage of Medicare.

Question 14

Suggested answers could include:

- An advantage of taking out private health insurance is that Michelle will not have to pay the Medicare levy surcharge. This is because, if she is a high income earner, she can avoid the Medicare levy surcharge by taking out private health insurance.

- An advantage of taking out private health insurance is that it covers Michelle for health services that are not covered by Medicare. Michelle may need glasses or dental treatment: these would be covered under a private health insurance extras policy.
- An advantage of taking out private health insurance is that it provides choice of doctor in hospital. Michelle may, in the future, wish to start a family and may want to choose her doctor in hospital to assist with the delivery of her children.
- An advantage of Michelle taking out private health insurance is that if she takes it out before her 31st birthday she will not have to pay the 'lifetime cover' loading. This means that Michelle will pay less for her health insurance premiums than if she chooses to take out private health insurance when she is older.

For each of two advantages:

- Award 1 mark for an advantage of private health insurance.
- Award 1 mark for showing how this advantage is relevant for Michelle.

Maximum of 4 marks.

6.5 & 6.6 Funding and sustainability/Access and equity

Question 1

Correct Answer is A

Private hospital services receive most of their funding from non-government sources.

Question 2

Correct Answer is D

A sustainable health care system must be sustainable in order to continue providing a high level of health care to all individuals. This is achieved through:

- an efficient and well trained workforce
- adequate funding and regulation
- research, monitoring and promoting disease prevention.

Question 3

Unreferred medical services are one example in which the Australian government contributes most of the funding. Unreferred medical services would include visits to a general practitioner (GP). Because the Australian government funds much of this cost, people are more likely to access medical assistance for conditions before they become serious, therefore improving health status by reducing morbidity and mortality from illness and disease, and improving life expectancy.

Award 1 mark for identifying one of the following:

- referred medical services
- unreferred medical services
- benefit paid pharmaceuticals.

Award 1 mark for explaining how the example chosen improves the health status of Australians.

Award 1 mark for using a health status term such as morbidity, mortality, life expectancy, or burden of disease.

Question 4

Award 1 mark each for any two of the following actions:

- The Australian government raised the Medicare levy from 1.5% to 2% to ensure that there was adequate funding for the sustainability of Medicare.
- The Australian government introduced the Medicare levy surcharge to ensure sustainability of the public health system by encouraging high income earners to take out private health insurance.
- The Australian government restricts the number of medications on the PBS to essential medicines. This helps reduce cost and ensure sustainability of being able to provide low-cost medications.

Maximum of 2 marks.

Question 5

Award 1 mark each for any three of the following:

- free treatment and accommodation in a public hospital
- low-cost medicines through the Pharmaceutical Benefits Scheme
- subsidised doctors and specialist consultations through Medicare
- means-tested rebate for private health insurance
- support provided through the National Disability Insurance Scheme means that many more disabled people can access medical support and assistance
- Indigenous Health Incentive, which provides financial incentives to medical practices to provide culturally appropriate healthcare for Indigenous people.

Maximum of 3 marks.