

From:
To: [Community Affairs Committee \(SEN\)](#)
Subject: safety net changes
Date: Thursday, 19 November 2015 8:55:50 AM

To Whom It may Concern,

Senate Standing Committee on Community Affairs,

I am writing to submit my concerns regarding parts of the proposed changes to Medicare safety net arrangements in 2015. I work full time as a psychiatrist in private practice, and provide ongoing care to patients using mainly psychodynamic psychotherapy. This treatment typically entails therapy sessions from one to three times per week, over a period of several years. I treat patients across a wide range of ages, and most have very severe chronic conditions such as severe personality disorder, severe anxiety and depression, bipolar disorder and even schizophrenia and schizo-affective disorder. Most of my patients have severe trauma backgrounds, and also have complex co-morbid conditions such as substance abuse, medical conditions and severe difficulty in maintaining work and relationships.

There is ample evidence (despite oft-heard assertions to the contrary) that this form of treatment is efficacious compared to alternatives, and is cost-effective, including reducing the cost burden to the health system due to reduced need for hospitalization. These findings are repeated over and over, including studies conducted in Australia. For many patients, this treatment is the treatment of choice, and for some may be the only effective option.

I support many of the principals involved in the proposed changes, for example simplifying the two-tier system of safety nets will be welcome to all concerned. I am very concerned however about the impact on the ability of the most severely ill to continue to access treatment.

I have done this work for eight years, and at the start, I had a large proportion (around 40%) of patients who are on social security benefit or low income. Even before the recent proposed changes, I have had to stop accepting new referrals for such patients, as the low and frozen Medicare rebate does not allow me to be confident I can afford to keep seeing such patients into the future. If the changes proceed as currently planned, I estimate the reduced yearly benefits will force three or four of my current patients to cease treatment, and/or dramatically reduce sessions. For these patients, it will be a severe blow with likely very damaging psychological effects.

The more wealthy patients only will be those who can continue treatment.

As an example, if I see a patient more than 50 times per year, they will receive \$78.07 Medicare rebate for a fifty-minute consultation. My running costs are \$80 per session, so if I bulk-bill, I will actually be losing money. Even with the proposed new cap at 150% of the scheduled fee, the rebate will leave me with less than forty dollars per hour, or twenty dollars after tax. This is not sustainable and the only realistic option I have is to charge a significantly higher gap, which makes treatment unaffordable to many patients. Ultimately it will cost the health system more in the long run.

I urge you to consider amending the proposed changes to allow this treatment to be available to the most disadvantaged. Helpful options may include for example, making exemption for patients requiring many services per year, increasing the cap for such patients beyond the 150% limit proposed, and expanding the clinical criteria for item 319 patients to allow more access to frequent sessions at a full rebate.

Thank you for considering my concerns. I am more than happy to be contacted or provide more information, including scientific references.

Yours sincerely,

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