



Claremont Village Medical Centre

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June 16, 2003

The Senate Select Committee Inquiry into Medicare
Parliament House
Canberra

Dear Sir,

I enclose a copy of a letter to Senator Patterson on the subject of her letter regarding proposed changes to Medicare. I would be grateful if you would consider the points made in the letter.

I would also like to reinforce the point that in many ways the government has become irrelevant in the way general practice services will be charged in the future. The government's recent promise in the media to restore "bulk billing" by increasing the level B rebate by one dollar is ridiculous.

It is important that you realise that clinics that "bulk bill" all or most of their patients survive financially by seeing large numbers of patients and allow a minimum amount of time for each one. This "six minute medicine" suits some people with quick and easy problems but fails in the case of those with more complex ongoing medical problems. This type of practice results in multiple return visits for the same problem and often numerous tests and referrals.

Our practice has a policy of providing adequate time to properly deal with our patients who may have multiple and complex medical problems, may be handicapped or elderly. We are also prepared to provide home and nursing home visits as required.

Practices such as ours are not able to survive financially if we "bulk bill" all our concession card holders and pensioners. We currently charge a fee which is \$7 above the rebate and still struggle financially. It must be obvious that the promise of an extra \$1 from the Government or \$3 from the opposition is meaningless.

We will not, indeed can not, return to "bulk billing" unless there was an immediate increase in the rebate for a level B consultation in the order of about \$10 and a proportional increase for all other consultation levels. These increases would have to be indexed to the rising costs of running a medical practice (our costs are increasing well in excess of the CPI) and there would have to be some guarantee that the government will not hand out concession cards to everyone.

If legislation is introduced to compel us to "bulk bill" with rebates less than we currently charge, our practice which provides care for 6000-7000 patients, will close. Our doctors will find work in areas with relatively few concession card holders or move to work overseas.

Providing good quality medical care is not cheap and must be paid for by either the patient or the government. The choice is up to you.

Yours faithfully,

Dr. Ian Readett.

Claremont Village Medical Centre

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June 16, 2003

Senator Kay Patterson
Suite MG 48
Parliament House
Canberra ACT 2600

Dear Senator Patterson

Thank you for your letter of 26 May 2003 regarding "a fairer Medicare".

I am a 45 year old graduate of the University of Tasmania who has been in general practice in Claremont, Tasmania for the past 17 years.

Currently I work as a full time practice principal in a practice involving 8 doctors.

Our practice is in an area with about 70% of patients having pension or health care concession cards.

The majority of my patients are elderly and have several chronic health problems (eg. diabetes, ischaemic heart disease, chronic respiratory conditions and cancer). As a result I see on average 3-4 patients per hour. I also take the time to take phone calls from my patients and their families as required. I spend a considerable amount of time coordinating the input of other health providers, hospitals, nursing homes etc in the care of my patients.

As you should be well aware, the costs of running a general practice have increased far in excess of any rise in the Medicare rebates and in excess of the rise in the CPI.

Blended payments have helped very little as they are associated with significant compliance costs and extra paper work.

As a result we made the very difficult and reluctant decision to cease "bulk billing" in February 2002. We initially charged a gap fee of \$5 but recently this had to be increased to \$7.

I also have to charge a gap fee to my home visit and nursing home patients as these are always very time-consuming and inadequately covered by current rebates. An important point conveniently ignored by Medicare is that a level B home or nursing home visit is associated with a minimum of an hours work including travel, paperwork, phone calls to relatives and the pharmacy.

I would be grateful if you could explain to me how I could possibly be better off with your proposed scheme in which I could expect to receive \$6 less for every patient I see (and even less for all my home and nursing home visits).

Your proposal will only help:

- * bulk billing clinics that make a profit by pushing through large numbers of patients very rapidly. I understand that they spend little more than 5 minutes per patient and only deal with problems on a very superficial level. At our surgery we regularly see patients who have been seen elsewhere for their quick and easy problems but present to us if they have a *real* problem. Patients have told me their other doctor never has time to examine them.
- * practices in wealthy suburbs who see very few pensioner or health care card holders. These will benefit from being able to offer their paying patients the ability to pay the gap only.

I think it is time for you to accept that the current Medicare rebates are completely irrelevant to medical practice today and for you to be honest with the Australian public as to your real intentions regarding Medicare and "bulk billing". I should point out that there is a commonly held belief that the Howard governments real agenda is to put an end to "bulk billing".

Regardless of what changes you make to Medicare I intend to charge what I consider a reasonable fee for the service I provide.

If legislative changes are brought in to make me "bulk bill" at a non-financial rate I will have no option but either close my practice and move to an area with fewer card holders or consider moving to work overseas eg in the UK.

I would urge you to think carefully about what sort of GP you would visit for advice when you become diabetic or contract cancer and think about the time when one of your elderly relatives may not be able to find a GP willing to treat them in a nursing home.

I intend to keep all my patients informed as to which political party is most likely to help restore "bulk billing".

I, like my patients, eagerly await your response.

Yours sincerely,



Dr Ian Readett.

cc Senate Select Committee Inquiry into Medicare, Practice Newsletter.