BAYSIDE GP DIVISION

Bayside GP Division

Submission to the

Senate Select Committee Inquiry into Medicare

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Dear Senators,

The body of this letter forms the Bayside GP Division's submission to the Senate Select Committee Inquiry into Medicare. We look forward with interest to the outcomes of this inquiry.

The Benefits of General Practice

A well-supported general practice system can address a significant proportion of the population health issues being faced in Australia. As well as meeting the majority of acute care needs, General Practice has the potential to provide a total health management focus in disease prevention and in chronic disease management in the community. GPs are best placed in the health system to coordinate patient care because of the continuing, comprehensive attributes of the GP role. GPs also have the opportunity to build an in depth knowledge about their patient's clinical and socioeconomic situation, thereby placing them in the best position to offer affordable and appropriate services to meet the patient's needs.

Access to and affordability of general practice under Medicare

Patient access to health services is determined mainly through the cost of those services to the consumer and the resources available to provide those services (infrastructure, health personnel, equipment and consumables). In the private sector, cost has traditionally been the major limiter of consumer access to services, though in more recent times falling workforce numbers have created issues that are independent of the ability to pay. In the public sector availability of services as reflected in waiting times for consultations, procedures or treatment is the main limiter.

In the General Practice setting, access and affordability is often judged by consumers and Government on price rather than quality. The term "cost effective" is intended to address both quality and cost. The Australian Health Care system needs to focus significantly more energy into debating the issue of access to quality health care services as opposed to access to free or heavily subsidised medical care. General practice currently struggles to meet the demands placed on its services, and bulk billing through Medicare provides no incentives for the population to take responsibility for and manage their own health care needs. Although Medicare rebates have not kept pace with the increasing costs associated with operating a general practice, GPs generally continue to bulk bill the proportion of their patients who are financially disadvantaged. GPs are in the best position to assess the needs of their patients in terms of their ability to pay for services, and it is vital to the ongoing viability of general practice that this discretion is retained by the GP.

Incentive payments should not be linked to methods of billing such as those proposed in the "Fairer Medicare" package. Instead, incentive payments need to be directed at rewarding quality practice. There is no evidence that bulk billing of patients encourages quality practice. Rather, bulk billing encourages higher through put of patients to ensure a viable practice income. This results in short consultations, with a high proportion of these directed at acute presentations. Bulk billing does not encourage systematic and integrated care of patients with chronic disease.

Additionally the current myopic emphasis on the general practitioner as the sole provider of medical services in the GP setting ignores the real benefits and efficiency gains offered by workplace reform and better utilisation of nurse and other support staff. Further efficiencies can be gained by better integrating health services across sectors and minimizing the current duplicity, redundancy and information/communication barriers to quality care.

The Profession and the Government need to establish an agreement on quality care, and develop a system that supports the delivery of quality care. This requires the development of a stronger MBS, which supports processes able to deliver quality care, e.g. containing appropriate rebates for long consultations to support the chronic and complex care needs of the population. Incentive payments under this system would be better directed at supporting those elements of quality care that cannot be delivered under a fee-for-service system, such as integration with other health service providers. Incentives for the measurement of health outcomes are beneficial, however the associated administrative processes need to be simpler to reduce the cost of providing this level of service. The Commonwealth needs to provide a greater level of investment in assisting General Practice measure quality health outcomes.

Recommendations:

- Profession and Commonwealth lead a community debate on quality versus cost issues in the provision of healthcare in the GP setting.
- Support GP healthcare processes which support quality outcomes.
- Provide financial and other incentives to facilitate integration of health services at a local/regional level to minimize existing redundancies/duplicities in the system.

Fairer Medicare Package

The principle of incentive payments for agreed billing practices does not, as outlined above, support a quality general practice system. The current trend of falling rates of bulk billing reflect the increasing cost of service provision, and also reflects the increasing demand for services in the face of growing workforce shortages. The majority of GPs support increased MBS rebates as the method of choice to address affordability, and supported by well-targeted incentive payments that recognise and reward quality care and improved health outcomes.

The HIC On line billing provides obvious benefits to the government, consumers and to a lesser degree providers and is generally supported. It needs to be recognized that software providers will need to be supported financially to modify the software and assist with training and support.

A fundamental issue with the package that has yet to be addressed is that Medicare commenced as a universal, tax funded health insurance scheme to ensure broad public access to health care. Proposals such as the "Fairer Medicare" package change the nature of this system from a health insurance scheme to a funding model for general practice. Medicare needs to be treated consistently to maintain any credibility. It either remains a health insurance scheme or is reworked into a funding model for general practice.

As it stands, the Medicare system is being utilised as a funding system. Emphasis needs to be placed on the use of Medicare as a means of providing a public safety net for more catastrophic health events, rather than as a method of paying for everyday medical expenses. The profession acknowledges the fact that some form of means test would need to be applied to ensure the low-income earners have affordable access to everyday medical care. However, there needs to be a price signal to the community on the true cost of healthcare.

If Medicare is to continue to be used as a funding system for general practice, then that funding model needs to become more flexible and needs to become one that supports the entire health care sector to work together in a more integrated way. There is currently an expectation from government that general practice can continually absorb changes in health care policy that rely more and more heavily on the services general practice provide. There are limits to what can be achieved within the constraints of the MBS system. An example of this is the potential to use practice nurses to a greater capacity in a clinical role within general practice settings to provide workforce advantage and allow for an increased emphasis on systematic management of chronic disease and health promotion/ disease prevention activities.

Recommendations:

- Community is educated to recognize the true cost of healthcare provision in the GP setting.
- Provide realistic funding to measure healthcare outcomes in General Practice.
- Provide financial and other incentives to facilitate workplace reform in General practice in order to ease workforce pressures.
- Implement "HIC On-line billing" for all practices.

Practice Incentive Payments

The Productivity Commission report, April 2003 (General Practice Administrative and Compliance Costs) amply demonstrated the time GPs spend complying with a multitude of programs taking time away from seeing patients, and impacting on patient access. As well as PIP-related paperwork, GPs are deluged by paper work from other areas also, particularly other government sectors, e.g. Centrelink. The multitude of different forms take considerable time to complete, and this time is not paid for through the MBS. Also of concern is that this data is not captured within the HIC figures, which feed into the workforce calculations used by the government.

The Commonwealth needs to act on all the recommendations of the Productivity Commission to reduce the administrative load on General Practice enabling better use of time in providing patient services and improving healthcare outcomes.

Recommendations:

- Implement all the recommendations of the Productivity Commission on GP Administration and Compliance Costs.

Recommendations Overall:

- Profession and Commonwealth lead a community debate on quality versus cost issues in the provision of healthcare in the GP setting.
- Support GP healthcare processes which support quality outcomes.
- Provide financial and other incentives to facilitate integration of health services at a local/regional level to minimize existing redundancies/duplicities in the system
- Community is educated to recognize the true cost of healthcare provision in the GP setting.
- Provide realistic funding to measure healthcare outcomes in General Practice.
- Provide financial and other incentives to facilitate workplace reform in General practice in order to ease workforce pressures.
- Implement "HIC On-line billing" for all practices.
- Implement all the recommendations of the Productivity Commission on GP Administration and Compliance Costs.

Prepared by Lynette Fuary
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Ratified by the Committee of Management
18 June 2003
Signed

Lynette T Fuary