Queensland Divisions
of General Practice
Association Incorporated (IA18808)

9 July 2003

The Secretary
Select Committee on Medicare
Suite S1 30
Parliament House
Canberra ACT 2600

Dear Secretary

Please find attached the submission to the Senate Select Committee Inquiry on Medicare from Queensland Divisions of General Practice (QDGP).

If further information is required, do not hesitate to contact me as per the details listed below.

Yours sincerely

Dr Kevin Arlett
President, QDGP

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QDGP Submission to Senate Select Committee Inquiry into Medicare

It has been said, "The role of the generalist in medicine has been, and remains, the most important single issue in modern medicine, for the structure of the medical profession hinges on whether--and how--General Practice is recognized."[1] Queensland Divisions of General Practice (QDGP) acknowledges the central role that GPs have to play in primary care and supports a higher level of investment in Medicare as a key to ensuring universal healthcare in Australia.

QDGP has consulted with General Practitioners across Queensland regarding the recently proposed "Fairer Medicare" package. Their feedback has formed the basis of the attached response to the Committee's Terms of Reference.

Overall, the recently proposed reforms are viewed as being developed without any clear consultation with general practice. The scheme does not comprehensively address the ailments of the current state of the profession but, rather, applies itself to some of the symptoms. The package only attempts to patch a small hole in a healthcare dam that is full of larger chinks and growing fractures. In particular, QDGP has grave concerns about the capacity of our public health system in Queensland, and questions the reduction in funding to the States over the next four years compared to previous estimates. It is apparently a coincidence that this reduction in funding is almost the exact amount budgeted for the Fairer Medicare Package. It is time for the health system to be considered as a whole, rather than isolated parts that can be traded off against each other.

With respect to the Government's Medicare Package, individual parts of the package have garnered some support by doctors, particularly in the areas of practice nurses and the application of HIC online. However, these initiatives are available only to those who "opt-in" to the bulk-billing of all concessional cardholders.

Doctors are dissatisfied for a wide variety of reasons, especially the relative decrease in income due to the failure of rebate rises to keep pace with the costs of running a practice. As a result, the decline in the bulk billing rate and increasing gap payments for GP services will continue, threatening universal healthcare in Australia.

[1] Stevens, Rosemary. *American Medicine and the Public Interest*. New Haven, CT: Yale University Press; 1971, p. 293.

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QDGP Comments on Individual Terms of Reference

The access to and affordability of general practice under Medicare, with particular regard to:

(a) the impact of the current rate of the Medicare Benefits Schedule and Practice Incentive Payments on practitioner incomes and the viability of bulk-billing practices;

QDGP Comments:

- Bulk billing rates do not reflect the growing costs of running a practice, including the financial burden of increasing administrative and bureaucratic responsibilities. Practices are being forced to increase income through various strategies including increasing patient throughput and charging the patient a gap amount above the rebate. The proposed incentives are inadequate to compensate for the current shortfall in MBS rebates.
- Practice Incentive Payments have benefited those practices that have organised to make use of them. However, many practices find these payments difficult to access as a result of the substantial administrative burden associated with the incentive scheme.

(b) the impact of general practitioner shortages on patients' ability to access appropriate care in a timely manner,

QDGP Comments:

- The National shortage of General Practitioners has now been acknowledged; workforce shortages are particularly acute in rural and outer metropolitan areas. There is no question that workforce shortages are making it more difficult for patients to access timely primary medical care, and numbers of patients presenting to public hospital A&E departments is a direct consequence of this lack of access.
- While QDGP welcomes the workforce initiatives announced as part of the Medicare package, there are ongoing concerns that the attractiveness of general practice as a career is lagging behind other specialist disciplines; as such, only small numbers of the additional medical students could be expected to enter general practice in the future while existing GPs continue to contemplate their future, and sadly are making the decision to retire early or seek other employment opportunities.
- Urgent workforce measures are needed to relieve the pressure on general practice. QDGP believes that practice nurse funding to all practices in Australia would be a positive measure, as would other programs to support the funding and linkage of allied health services to general practice.

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- Of particular importance to the future health status of our population is the investment needed in health promotion and primary prevention. As our population ages, there is an urgent need to keep people well and able to fully participate in our communities. General practice has an important role to play in maximising population health gains, but at present is hampered by numerous barriers including inadequate workforce numbers and inadequate infrastructure support at a practice and Divisional level to allow a systematic approach to population health.

(c) the likely impact on access, affordability and quality services for individuals, in the short- and longer-term, of the following Government-announced proposals:

(i) incentives for free care from general practitioners limited to health care card holders or those beneath an income threshold,

QDGP Comments:

- There is no such thing as "free care"; bulk billing provides health care at no cost to the patient, but at considerable cost to the system. Raising awareness of the true cost of health care amongst consumers is long overdue, and is hampering open and robust debates within the community about how to best spend the precious health care dollar. General practice is committed to high quality health care, and has now reached a point where this care will be charged out appropriately and reasonably. For Governments to pretend that high quality care can be delivered for the cost of the current Medicare rebate is irresponsible.
- While incentives for GPs to bulk bill card holders will theoretically protect some vulnerable groups from unaffordable but essential health care, there are many others that will not receive such protection. Individuals on moderate incomes who have chronic illness or a shorter term, but serious, health care need, may also have difficulty affording care. Increasing medicare rebates is a more equitable way of assisting all patients, because this then limits gaps for everyone.
- GPs are health care professionals and should retain the discretion to offer subsidized healthcare to their patients based on their knowledge of the individual's circumstances. GPs have always treated patients fairly and equitably, in many cases to the detriment of their own businesses and incomes. Irrespective of Government policy, GPs will continue to make compassionate and reasonable decisions about the charges attached to their services. Despite the widely held assertion that the average gap payment is $25 for a level B service, the great majority of patients are paying a lesser gap fee. Healthcare card holders in particular are more likely to be paying a gap of $5-$10. It is also well accepted by GPs that having a healthcare card does not always correlate with ability to pay, and the person in the best position to make this judgement is the GP in consultation with the patient.

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- Divisional surveys of GPs across Queensland indicate that those who currently bulk bill all patients are more likely to be interested in the Medicare package. It is our estimation that these incentives will do little to change the billing practice among GPs who do not currently bulk bill. This holds true even in rural areas where incentives are significantly more substantial. Based on feedback to date, we would estimate that no more than 10% of GPs are currently intending to sign on for the Government's Fairer Medicare Package.

(ii) a change to bulk-billing arrangements to allow patient co-payment at point of services co-incidental with direct rebate reimbursement,

QDGP Comments:

- All practices should have access to online billing, not just those who opt-in to the package.
- This is a complex solution, however, that will need further support from the Government. Current difficulties include software compatibility issues and the availability of Internet connections in rural and remote areas.
- Online billing is beneficial to patients, reducing upfront costs at the point of service and removing the need to attend a Medicare office to obtain a rebate. It is also beneficial for the practice from a cashflow point of view, though costs will be incurred in establishing the system, training staff and educating patients. It is also beneficial to the HIC, with potentially large savings resulting from the reduced number of Medicare offices. QDGP is concerned that patients not be inconvenienced as a result of the premature closure of Medicare offices however.

(iii) a new safety net for concession cardholders only and its interaction with existing safety nets, and

QDGP Comments:

- Safety net concepts are generally supported by general practice as a means of protecting low-income earners and other vulnerable groups from unaffordable health care costs.
- QDGP has concerns however about the current complexity of safety nets, and the ability of patients to understand and utilise them.
- The Medicare package appears to introduce a second safety net, and it is not clear how this will interact with the existing safety net. The picture is further complicated by the private health insurance component of the package. Simplification is needed if these safety nets are to operate efficiently and provide assistance to those most in need.

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(iv) private health insurance for out-of-hospital out-of-pocket medical expenses; and

QDGP Comments:

- While this measure is generally supported, GPs are sceptical that the cost of this additional cover can be maintained given the escalating costs of health care. It would seem that private health insurers are struggling to maintain affordable premiums without the additional burden of general practice related expenses. Again, this measure has been introduced without consultation with the profession, and so the impact has not been well considered.

(d) alternatives in the Australian context that could improve the Medicare principles of access and affordability, within an economically sustainable system of primary care, in particular:

(ii) whether the extension of federal funding to allied and dental health services could provide a more cost-effective health care system,

QDGP Comments:

- QDGP supports adequate funding of primary health care as a means of reducing the burden of disease. Where evidence exists that funding of dental and allied health services is cost effective to the health system in the long term, QDGP believes this funding would be well allocated.
- Rather than funding allied and dental health services via Medicare, other funding models would appear to offer advantages, eg More Allied Health Services and access to Mental Health Allied Health providers – Federally funded programs that are currently rolled out through Divisions of General Practice; services are based on community need and linked to general practice.

(ii) the implications of reallocating expenditure from changes to the private health insurance rebate, and

QDGP Comments:

- QDGP does not have sufficient information to comment on the impact of reallocating the private health insurance rebate, but any measure that places additional burden on the severely under resourced public hospital system would be met with grave concern by GPs who already struggle to cope without adequate tertiary level support.

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(ii) alternative remuneration models that would satisfy medical practitioners but would not compromise the principle of universality which underlies Medicare.

QDGP Comments:

- GPs in Queensland support fee-for-service as the cornerstone funding model for general practice.
- There is some support for additional practice and GP payments to support those elements of care that can't be adequately remunerated via fee-for-service, however any such payments need to be simple, outcomes based (rather than process based as is currently the case for many payments and incentives), and negotiated with the profession.
- As previously stated, QDGP is fully supportive of practice based funding to support the employment of practice nurses. We are also supportive of ongoing funding to Divisions of General Practice who provide essential support to practices in the delivery of quality health care.

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