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FAMILY MEDICINE MACKAY

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The Secretary,
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I am writing to thank you for the opportunity to explain the medical workforce situation in Mackay at the Bundaberg hearing on Monday 25th August 2003, but I would like to clarify and correct what I believe to be a misconception held by various Senators and other Politicians that the medicare rebate is a subsidy to doctors.

The rebate is in fact a subsidy to patients for the costs of services provided by doctors approved under the Health Insurance Act 1973. Medicare was set up in response to an inequity of access to medical services. Prior to Medicare those that could afford it were covered by insurance, those that could not afford it had no insurance. As the cost of medical services charged by doctors increased this led to an escalating inequity of access between the insured and the uninsured. As a result the Government decided to introduce the Medicare package and to scrap other insurance schemes.

To reach an agreed value for doctor's services, the Government sat down with the AMA and developed a schedule of fees. This schedule was an agreed price for services provided by doctors. The Medicare rebate was set at 85% of the schedule fee. Over the years a gap has developed, and has grown significantly, between what the profession and successive Governments have assessed as a fair and reasonable rebate for the Government's schedule of fees. This gap between what the profession has assessed as constituting a fair and reasonable fee, and the Government's fee schedule, has widened to a point where the two parties no longer have views that are compatible.

It is generally accepted that practices which bulk bill all their patients continue to do so because they are located in a market with both a high supply of doctors and high demand for services by patients. As the costs of running a practice increase and the Medicare rebate remains static, some doctors are reducing the proportion of patients they bulk bill. Many doctors continue to bulk bill because of their strong commitment to social justice, and their belief that everyone should have equitable access to medical care (access should be irrespective of the patient's financial disadvantage).

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The Government commissioned a relative value study to examine the issue of what is a fair and reasonable fee for various medical services. The result of this study confirms that the schedule of fees set by the Government has fallen along way behind the true value of the services provided by doctors. As more and more doctors realise the Government has no commitment to providing a rebate for patients which is linked to a fair and reasonable fee, there is an escalating decline in the proportion of patients being bulk billed.

The Government schedule fee rebate has not kept pace with inflation and the gap between the AMA schedule and the Government schedule has widened, this has led to an increased cost to the patient to see a non-bulk billing doctor. Doctors acknowledge that more and more patients are disadvantaged by the rebate disparity. In order to practice good medicine and not rush consultations doctors have had to increase their fees for their Practices to remain financially viable.

Once again we are moving towards a system which entrenches inequity of access; those that can afford their healthcare and those that cannot. As more and more GP's turn away from bulk billing we have now turned the full circle to a system where doctors are being blamed for the growing inequity of access to medical services.

This inequity of access is due to the failure of the Government to provide an adequate rebate to the patient for the rising costs of medical services. Those that can afford to go and see their private non-bulk billing GP do so, and those that cannot afford to access those services either don't go at all or end up being so sick they are admitted to hospital. This has led the State Governments blaming doctors for more category 4 and 5 patients attending the emergency departments of State Hospitals but they have done almost nothing to support access to free primary medical care

The fact that all major political parties, and to some extent the community, are blaming the medical profession is further undermining doctors' enthusiasm for continuing in the profession.

All political parties when they are in Government have failed to ensure that the rebate for the Governments schedule of fees represents a fair and reasonable value for the services provided by the GPs. The politician's have shifted the blame away from themselves by telling everyone that the Medicare rebate is a subsidy to doctors. It is not, it is a subsidy to patients for the cost of seeing their doctor. As a doctor I set my fees independently of the Government. What the Government chooses to rebate patients is between the Government and the patient.

I choose to bulk bill some of my services to ensure that my disadvantaged patients, those with chronic health problems or those that are in financial hardship, can still access my services. The Government patient rebate is not a subsidy to me, rather I am providing a discounted fee for my services to patients with chronic health problems or to those who are financially disadvantaged by accepting the subsidy the patient receives as payment for my services.

My behaviour is an ethical, moral and socially responsible way to practice medicine. As such, I base my decisions on whom I bulk-bill on their level of disadvantage and need, and not whether a patient has been issued with a Health Care Card. The Government's

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assessment process for a Health Care Card is flawed, and from my experience with my patients, it often depends on whether they have a good accountant who can reduce their taxable income to the required level. I see many patients who drive new four wheel drives, take overseas holidays, and then come into my surgery waving a health care card and expect me to discount my services to them. I realise that this is not the case for all Health Care Card holders, but I base my decision to discount my services on my knowledge of my patients.

If the Government wants to encourage doctors to continue to bulk bill then it must take note of studies like the Relative Values Studies and pay a rebate based on a fair and reasonable schedule of fees. Failure to make this change will result in the rates of bulk billing continuing to decline as doctors move towards private billing in order to remain financially viable. This will promote further inequity of access to primary medical services, lead to more doctors leaving General Practice, discourage young doctors from becoming GPs, and will result in patients waiting until they become acutely ill and then needing to be admitted to Hospital.

Yours faithfully,



Dr. D. M. Parker

Cc Mrs De-Anne Kelly, M.P., Member for Dawson.

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