

Friday, 31 March 2023

## **Close to \$4 billion stripped from general practice as a result of Medicare freeze**

The freeze on Medicare rebates by previous governments resulted in \$3.8 billion being stripped from the primary care system an AMA analysis has found.

AMA President Professor Steve Robson said the impact of the freeze by successive governments was now clear — a primary care system struggling to survive, falling bulk billing rates and patients waiting longer to access a GP.

“Like all businesses, the costs of providing medical care go up each year, with increases in wages for staff, rent, medical equipment, cleaning, electricity, technology and insurance, and these increases must all be covered by the fees a doctor charges,” Professor Robson said.

“Years of frozen indexation means that a patient’s Medicare rebate is permanently lower than what it would have otherwise been had the freeze not been put in place. This is one of the key reasons why patients are facing larger out of pocket costs when they visit their GP.”

The AMA released the analysis along with the General Practice chapter of its 2023–24 budget submission which calls for a significant and urgent investment in general practice beyond the \$1b the government has previously committed over a four year period.

“Successive governments have obviously saved more than \$3.8 billion, because when they restarted indexation, the rebate was even further behind the cost of providing care. And it gets worse — a total of \$8.3 billion stands to be stripped from primary care if you forecast out to 2027–28.

“The current government has inherited a significant problem and, while it is not of its own making, the reality is that the buck stops with it — we need to see a shift to repairing the damage that has resulted in general practice barely surviving,” Professor Robson said.

“We are calling on the government to invest back into Medicare what’s been stripped from the system as a result of the lasting, and growing impact of the Medicare freeze.”

Professor Robson said the AMA’s budget submission had been rigorously costed and was designed to be implemented immediately to address a range of critical issues, from access to care to workforce shortages.

The submission proposes a health system that would better support GPs to deliver care in aged care facilities, as well as support for chronic wound care that will save more than \$200 million taxpayer dollars over four years from reduced hospitalisations. It also highlights the need for team-based care and support for GPs to spend longer with patients, including after hours.

“In addition, the AMA is calling for additional, targeted investment in Medicare to improve access to GPs for our most vulnerable communities,” Professor Robson said.

“Proper investment in primary care and general practice would improve the health, security and well-being of all Australians. I call on the federal government to deliver in this budget what the nation is crying out for — that is decent health services, starting with general practice.”

[Read the AMA's analysis of the impact of the Medicare indexation freeze](#)

[Read the GP chapter of the AMA Pre-Budget Submission 2023–24](#)

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