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Transcript: AMA President Professor Brian Owler, Doorstop, Parliament House, Canberra, 3 May 2016

Subject: Federal Budget Reaction

BRIAN OWLER: Good evening. Professor Brian Owler, Australian Medical Association. Tonight we've seen an extension of the Medicare rebate freeze, and that means that the Government has extended its stranglehold on patients' rebates. That means 925 million dollars out of the pockets of everyday Australians; it means that people are going to have to pay more out of their own pockets when they receive medical treatment. That's also combined with the fact that it's going to cost more because the private health insurance rebate thresholds have also been frozen. Now, that is bad news for Australian patients, it is at odds with the Government's commitments to try and keep people healthy, keep them out of more expensive hospital care, and it takes away from the investment in health, particularly for those patients who are the sickest and most vulnerable in our community – those that can least afford it.

There are aspects, of course, that we welcome; there are some new programs that have been announced, but they're relatively small. We have seen an announcement about what is called the Flexible Funds. The Flexible Funds, of course, fund programs like alcohol, like stopping people from smoking, such as some of the other domestic violence support programs. So it is going to be very interesting to see which peak bodies, which groups that actually are out there supporting patients and everyday Australians are going to face cuts of funding when this \$140 million extra cut comes into the Flexible Fund programs.

So it's disappointing that these sorts of cuts are continuing from the patients' point of view, and we had hoped, as intimated by the Minister herself, that there would be an end to this Medicare rebate freeze.

QUESTION: Does the six year freeze on Medicare rebates spell the end for bulk billing [indistinct]?

BRIAN OWLER: Well, I think it is constantly undermining the value of Medicare. We've seen a freeze that was introduced for GPs back in about 2013 of nine months. What happened was that the 2014 budget froze the rebates for specialist care. When MYEFO at the end of that year announced changes to the co-payment process, or proposal, it also then introduced a freeze for GPs of four years. Now we've seen that freeze extended for another two, out to 2020. When is the freeze going to stop? I mean it is just something that cannot continue. It's almost seven years, and if you think of how prices, how the value will have changed over those seven years, to have rebates frozen for that period of time, you can only see that there is an undermining of the value, the intrinsic value of the Medicare rebate for patients, whether they're seeing a GP or whether they're seeing a specialist. And Australia's Medicare system, what has sustained our healthcare system, made it one of the most enviable healthcare systems of the world, is constantly being undermined by these changes.

QUESTION: This would mean about a \$15,000 cut in GPs' income eventually. Can they afford to wear that?

BRIAN OWLER: Well, it's not about the GPs' income; it's about actually maintaining a level of healthcare services. So the rent for the rooms, the costs of providing equipment, the costs of

providing staff – all those costs rise year on year. We're expecting our GPs to do more, we're expecting more out of GPs, we're trying to improve the quality. The only way that GPs can maintain their services, can maintain the quality of the care that they provide, is to actually start to charge patients, and while there has not yet been a very significant change in bulk billing rates, I think GPs have absorbed it. They've absorbed the rebate freeze for a period of time, but I think now we're going to start to see people, particularly with this indication of another two years, start to say we can't sustain it anymore, we can't absorb these rebate freezes, we're going to have to start to charge our patients, and we're going to start to see that tipping point reached where Medicare patients now are going to start to be charged, and bulk billing rates are going to, of course, fall.

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