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Transcript: AMA President Professor Brian Owler, 666 ABC, 4 May 2016

Subject: Federal Budget 2016, Medicare freeze

ADAM SHIRLEY: One of the most disliked and ultimately failed elements of the 2014 Budget by the Federal Government was the attempt to get people to pay more for their doctor visits. The GP co-payment as it was known was brought to life by then Health Minister Peter Dutton. Eventually it was killed off by present Minister Sussan Ley. But in last night's budget, payments for GP visits reappeared in the form of freezing the Medicare rebate at \$37 for six years and further payments for scripts. Brian Owler is the President of the Australian Medical Association and is with us on *Drive* to talk about how patients here in Canberra and beyond will be affected. Professor Owler, thank you very much for your time.

BRIAN OWLER: It's a pleasure.

ADAM SHIRLEY: If the demands in the health system continue to increase, should the people who regularly use the system have some role in paying for that demand?

BRIAN OWLER: Well, the fact of that matter is that they already do. We know that many patients particularly in the Canberra region already pay out of pocket expenses to see their GP and these freezes, of course, don't just apply to GP services but to specialist services as well. Now we've had already essentially a freeze of four years for GPs and two years for specialist fees. What I heard last night was the Government announce that the freeze was going to be extended even further out to 2020. And that result is that it is money that's taken away from patients because this is the patients' rebate and I think that's something that's often lost on people is that this is not about the doctor's income, this is about the amount that the patient gets back from the Government for medical services. And when the rebate is frozen it means that as the cost for the doctor, whether they're a GP or specialist, keeps going up for employing staff and having premises et cetera, then they have to pass that cost on to the patient and so the patient is the one that keeps paying more and more out of their own pocket and at the end of the day we're going to see the erosion of Australia's very good Medicare system.

ADAM SHIRLEY: How do you assess exactly what a patient should be paying and for what medical services? Because that as you well know is such a strong debate which has multiple answers.

BRIAN OWLER: Well, it varies obviously by the type of practice that people run and their approach to the care that they provide to patients. We know that it is sometimes very difficult for GPs to bulk bill and spend time with their patients and giving them the level of quality service that they should expect and so many doctors have taken the step of charging patients for those services. Now we know that the bulk billing is still very high. I think many doctors have tried to absorb this freeze, Medicare freeze. I think last night's announcement was really a tipping point because while some doctors and practices have to ride out this freeze, I think now we're going to see many doctors say well look we just can't ride this out any further and who knows when the freeze is going to stop, so we are now going to have to start to charge patients because the only alternative, the only compromise that the doctor can make is to spend less time with an individual patient and see more and more patients within the same time period and that is obviously going to end up compromising the quality of the care that's provided to those patients.

ADAM SHIRLEY: Do you agree that the Government cannot continue to fund the lion's share of the health needs of Australians from GP visits to specialist surgical operations, radiology and all the rest of it given how those costs are increasing?

BRIAN OWLER: Well, the taxpayer is of course paying tax, there's the Medicare levy, and other forms of taxation as well that actually go into funding healthcare. Now one of the things that's happening is that they've been almost a victim of their own success because our life expectancy I think now is the fourth highest in the world, it's gone up- it seems to go up year-on-year, so we're living longer and we're living longer with more chronic diseases and the biggest challenge for every developed nation is to manage that growing burden of chronic disease and keep people out of expensive hospital care. Now it's also a bit of a myth that it's the Government that pays for all of these services because actually when you look at all healthcare spending, the proportion that the Federal Government provides for healthcare overall is about 41 per cent, 40-41 per cent, it varies from year to year. So people are already paying significant amounts out of their own pocket. This is really an attempt of the Government to introduce further co-payments by stealth and to drive down the bulk billing rate. It's about actually saying the doctor is now a villain, he's the one or she's the one, that's passing the cost onto you, but of course this is driven by the Medicare rebate. Now we know also, that one of the problems, particularly in primary care and general practice is that you have financial barriers to care. It does impede people from accessing that care, and people can end up sicker, and more likely to end up with problems that land them in emergency departments.

ADAM SHIRLEY: President of the Australian Medical Association Professor Brian Owler with us on Drive this afternoon. Soon Canberra GP and chair of the Capital Health Network Dr Martin Liedvogel on his response to these changes by the Federal Government on GP visits, the Medicare rebate being frozen for six years now, \$37, and further payments for things like scripts. Professor Owler when Sussan Ley assumed the health portfolio for the Federal Government there was initial, in some quarters, encouragement for a change of style and perhaps a more consultative approach. How do you reflect on her tenure at this point in time?

BRIAN OWLER: Well, the problem is that there's no coherent health policy. It's continued to be just about the numbers and how they can save money. Now there has been good work done in terms of the primary healthcare review, and there've been some recommendations, certainly that we support, that's come out of that review, in fact it was chaired by my predecessor Steve Hambleton. But of course that is unfunded; there was about \$20 million in the budget to fund a chronic disease management trial. So there are good things that have happened, but I think the decisions that are being made seem to be coming more out of finance and Treasury than out of the Minister for Health's office. And so I question where these cuts are actually coming from, whether they're from the Minister, and who's actually running the health portfolio, because the priority seems to be on the budget, and there's really a very much a vacuum when it comes to actual health policy.

ADAM SHIRLEY: Professor Owler, does the AMA have a proposal to fund Medicare appropriately, such that demand on it does not spiral out of control?

BRIAN OWLER: Well, the AMA's been participating in the reviews, which actually looks at the way that we use funds to do chronic disease management in a much more appropriate way, that is going to try and keep people out of hospital. But we're also taking part in the other reviews as well, so there's an MBS review looking at the way that the Government can save money through that. Now I've been critical from time to time of that review because I don't want it just to be about saving money, it's got to be about making sure that we get the right outcome for our patients. But the last two years of my tenure as AMA President have really been around the changes that were introduced in 2014. Of course there was the co-payment,

but also public hospital funding as well. And it wasn't just about the money that was taken out; it was the mechanism to actually fund hospitals. And now after two years we've gone full circle, back to activity based funding, which is actually a mechanism to use to actually control costs, and reducing some... like unwanted clinical variation, and to get greater efficiencies, particularly in the hospital system. So the AMA's been supporting all of those proposals, but it's been an uphill battle to get to this point over the last two years.

ADAM SHIRLEY: These changes, in summary Professor Owler, are surprising from your perspective then?

BRIAN OWLER: Well, of course, there was no discussion about the freeze being extended, certainly I've had discussions where the Ministers assured me that she's been arguing for a lift of the freeze, and wanted to see that happen as soon as possible. So to see these changes announced in last night's budget I think came as a surprise not just to me, but everyone else. So it's disappointing, I think it's going to be challenging for the Government on the eve of a Federal Election because I think there are going to be a lot of not only doctors, but patients that are going to be very unhappy about these changes. So we'll see what happens in the coming months.

ADAM SHIRLEY: Professor Brian Owler, appreciate your time on *Drive* today.

BRIAN OWLER: It's a pleasure, thank you.

ADAM SHIRLEY: That's Professor Brian Owler, the President of the Australian Medical Association. We requested an interview with Federal Minister for Health Sussan Ley; she wasn't available for an interview today.

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