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Transcript: AMA President Professor Brian Owler, ABC 666 with Phillip Clarke, Canberra
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Subject: Medicare Freeze, #nomedicarefreeze

PHILIP CLARK: The AMA is very angry about the Federal Government's decision to extend this Medicare rebate freeze through until 2020; that'll be seven years of it they say. They say it's a sleeper in the budget, it's got doctors getting together launching a national campaign against the rebate today, they're going to distribute material to all of the doctors in Australia. They're... that's a powerful lobby. You would think if the AMA gets cranky about it, is it set to become a major election issue? Professor Brian Owler, president of the AMA is with us this morning. Professor Owler good morning.

BRIAN OWLER: Good morning.

PHILIP CLARK: So tell us about the effects of this freeze and what it's going to mean to patient care.

BRIAN OWLER: Well at the end of the day patients are going to have to pay more out of their own pockets. So the Medicare patient rebate freeze was started back in 2013, and then was extended in 2014 in the Federal Budget, and again of course more recently in the last Budget. And for those people that are already paying an out of pocket cost to see their GP, as costs go up those costs obviously have to be passed on to the patient, but the amount that the patient will get back from the Government in the form of their rebate will stay the same. So those patients are going to be punished by increased out of pocket expenses. But those practices that are serving more vulnerable communities, those on lower incomes, lots of children, those patients with lots of chronic diseases, they're the ones that really are going to be affected because the practices' ability to exercise this discretion, and bulk bill those patients is going to be a lot more limited, because at the end of the day people just can't keep absorbing the rebate freeze.

PHILIP CLARK: Yeah. I mean look, there was all the fuss of course when the... the previous Abbott Government in their first budget introduced a Medicare co-payment and a whole lot of fuss about that. But in essence you're saying this is a co-payment by stealth.

BRIAN OWLER: Yeah, so it is a co-payment by stealth, it's the way to make GPs have to charge patients when they see the doctor. But of course the blame is now shifted to the GPs themselves. And I think particularly treating general practice this way is the exact opposite of what a Government talks about in terms of the importance of general practice, and primary care, the importance of keeping people, particularly those with chronic diseases, well and in the community. If you take money out of general practice and you start to put in financial barriers, particularly for those patients on lower incomes, with chronic conditions, people are just going to end up sicker, and more unwell.

PHILIP CLARK: Yes okay. Can you put a figure on how much it will cost patients to go the doctor now as a result of this?

BRIAN OWLER: Well as soon as the practice, and I think we have reached this tipping point, and certainly that's the feedback to us now, that they can't absorb it. So as soon as they

transition away from bulk billing they lose the bulk billing incentive, which is at least \$6.15, but in some regional centres over \$9. So the practice first of all has to make up that cost, and then is undoubtedly going to put an extra cost on top of it. So I think at a minimum you're looking at \$15 to \$20 in terms of an out of pocket cost. Now there are practices that clearly charge more than that, and I know that's the case in Canberra. But that's the sort of minimum starting point that we are likely to see.

PHILIP CLARK: What's going on here do you think really; do you think that the Government's thought well look okay we're determined to get people to pay more, we've tried a co-payment, that seemed to run into all sorts of political and optical problems as it were, we'll do it this way. Is that what they're trying to do?

BRIAN OWLER: I think that's exactly right, and they've wanted to... I mean the co-payment was always about saving money. I mean it was about saving money out of general practice, saving money in terms of the budget, and this is a much lazier way of doing it essentially. Just by freezing the rebate they got away with it for a few years.

PHILIP CLARK: It's a bit like bracket creep in income tax isn't it?

BRIAN OWLER: Yeah that's right, and they just thought well we'll just keep extending it; it's another billion dollars that they can add to the budget bottom line, but unfortunately it does mean that that billion dollars has to come out of the pockets of patients right around the country, because there's only so much of the freeze that GPs can absorb. And I think 'til now we've seen people doing that, but the announcement in the budget; everyone said well you know, when is this ever going to end, we have to start to transition. And certainly the AMA has been contacted by many of its members saying can we have assistance in how we transition our practice away from bulk billing to one that now starts to charge a fee.

PHILIP CLARK: You and I have discussed in the past about the cost of Australia's healthcare, and as we know, I mean much of the cost is tied up with treating chronic conditions isn't it? And what you're saying is that we should be putting effort into making sure through a GP level that conditions don't become chronic, and that's by managing people's health.

BRIAN OWLER: Well that's right. So every developed country in the world knows that the biggest challenge facing their healthcare systems is managing the growing burden of chronic disease because we've been very successful in extending life expectancy, but when people live longer they do so sometimes with three, four, or even five chronic diseases. And so they're much more fragile patients, they need much greater care to keep them well and keep them out of more expensive hospital care, and so it's got to be more than a platitude when you talk about general practice and its importance. You actually have to invest in it. And Australia already has a very good health care system, but it actually has one of the highest private contributions in terms of cost being paid out of patients pockets of similar health systems in the world. So what we seem to be doing is actually increasing that burden on individuals, and of course when it comes to people that are sick or unwell or vulnerable in our community, they're the ones that are going to be left behind.

PHILIP CLARK: Alright Professor, good to talk, thank you.

BRIAN OWLER: Thank you.

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