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Transcript: AMA President, Dr Tony Bartone, Doorstop, Parliament House, Canberra, Thursday 16 August 2018

Subjects: AIHW Report on out-of-pocket-costs

QUESTION: Dr Bartone, the Australian Institute of Health and Welfare has released a report today showing on one hand that the Government's [indistinct] bulk billing rates are at record high [indistinct] Australians are out-of-pocket. What's your take on this report?

TONY BARTONE: What we've seen from this report is a reflection of the true state of what is going on in our practices, in our clinics around the nation and for our patients. Now, on the one hand, yes we're aware that for our patients it is a concern that out-of-pockets are being forced upon them more often than not. The two figures, you can reconcile them - and I'm sorry to get technical - but one is really looking at volume and one is looking at episodes. So, if you'd look at that 11 million people headline from the AIHW report, that refers to out-of-pockets being charged on any occasion. So, that reflects the cost of provision of care.

We need to remember that the cost of providing that quality care in a system that is world-class, that has a reputation second-to-none, is an expensive and a very significant one. And the cost of providing that care goes up year-on-year but the rebate to the patient from Medicare has not kept pace with the cost of providing that care.

So, if we look from 1984, when Medicare came into being right through to now, you will see year-on-year that the indexation of that Medicare rebate has not kept pace with inflation, has not kept pace with the cost of providing that care. And essentially what we're seeing now is in the inevitability of when you freeze a Medicare rebate for four years, when that Medicare rebate doesn't keep pace with the cost of provision of care, you see that divergence and you see the episodes of out-of-pockets occurring.

But, of course, GPs in particular understand the pressures that patients are under. And more often than not we will reflect on them and keep in mind our patients' situation when it comes to charging them. And so, that's why you'll find that the rate of bulk billing at the moment - as the Government has shown through its release of its data - is at an all-time high. And when you look at the sickest of our patients, who attend GPs, for example, 12, 15, 20 times a year, those volume services are being bulk billed continuously and hence that drives the high headline bulk billing rate. But the cost of providing that care continues to go up and the Medicare rebate just simply doesn't keep track, doesn't keep pace.

QUESTION: So, the Medicare data that the Government is using here on bulk billing rates, is that a furphy?

TONY BARTONE: It is a recognition of the volume of services that is being bulk billed. So, if we look at volume activity, yes, it is absolutely on the money but unfortunately for many of our patients with, perhaps, episodic care, less frequent care, there is significant out-of-pockets because they're not- their routine is not being part of the normal billing practices. What I mean by that is often you will find the policy is to bulk bill pensioners, Health Care Card holders, children under 16. But for anyone who doesn't fit into that gap, there is often an out-of-pocket and fee charge that reflects the cost of providing that care. And that care- and that fee bears no resemblance to the Medicare patient rebate.

QUESTION: What about the figure that 1.3 Australians were delaying seeking care because of the cost? How concerning is that to you as a doctor?

TONY BARTONE: When you look at data that says that 1.3 million Australians are delaying care because of cost, that has to be a concern. That has to be a concern especially in a system where we pride ourselves on the quality, when we pride ourselves on access and equity; and those things are fundamentally, diametrically opposed when you see figures like that.

QUESTION: Any relation to the Government's figures versus the AIHW's figures; is it a matter of comparing apples to oranges?

TONY BARTONE: So, essentially, you're absolutely right. The two sets of data look at different episodes or different facts. So, it's the analytics of those datas, is what you need to understand. But at the end of the day, they both tell a story; they tell that there are pressures in practices, in clinics, to bulk bill our patients because patients are doing it tough. We recognise the pressures they're under but they're also telling the story that, where this an out-of-pocket charge, that out-of-pocket charge is rising. It's rising ahead of inflation, it's rising at around four per cent per annum. And also, we need to remember that those out of pockets also include items such as medications outside of the clinic, outside of the service provided by the doctor. So, you need to look at both sets of data and understand how they complement one another.

QUESTION: Does the Government need to do more, in your eyes, to combat the outcome of the costs.

TONY BARTONE: There is no doubt in our mind that obviously, the first and foremost thing the Government should do is actually have a Medicare rebate that reflects the cost of providing that care. It needs to understand the inputs into providing a quality system; that system is world-class, is second to none, is associated with outcomes that are world-best and puts us the envy of the rest of the world. We're doing it on a federal budget of comparison; when you look at the percentage of GDP, it's just under 10 per cent. That puts us well within significant, competitive positioning when we look at our OECD partners of European nations. And, of course, doesn't even bear comparison with countries like the USA, where it's 16 or 17 per cent of GDP. So, really, we need to understand that health is a significant item, it's a significant issue when it comes to funding. And it needs to be funded appropriately.

QUESTION: [Indistinct] indexation changes that came into [indistinct] on 1 July, are you now saying that the Medicare rebate for doctors needs to be much higher than what is at the moment, government money going towards GPs needs to be [indistinct]?

TONY BARTONE: There is no question about that. That the rebate, at the moment, bears no comparison to the cost of providing that care. It is woefully inadequate; it bears little resemblance to the inputs when you look at the cost of provision of that care. That 55 cents that came into being for a standard consultation on 1 July was pittance in comparison to the years and years in neglect when we look at GP rebates over the last four, nearly five years plus, frozen: of and other specialist medical practitioner rebates that have been frozen during that time. And bears little resemblance to the continual pressures and downward indexation pace that it has been indexed at over the many, many decades since 1984.

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