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**Transcript:**

**Radio interview, RN Drive, 15 December 2015**

**AMA President, Professor Brian Owler, with Patricia Karvelas**

**Subjects: MYEFO, bulk billing incentives for pathology and imaging**

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PATRICIA KARVELAS:

Well, as you just heard there with my interview with Mathias Cormann, the Finance Minister, the Federal Government will look at the Health Budget for some of the savings announced in the mid-year Budget update. The scrapping or lowering of bulk billing incentives for pathology services and MRI scans is set to save \$639 million over four years. But it's just false economy according to the national president of the Australian Medical Association, Brian Owler. He joins me now, welcome to *RN Drive*.

BRIAN OWLER:

Evening Patricia.

PATRICIA KARVELAS:

Firstly, can you clarify for those listeners who might not be too familiar how do these incentives work? Because Mathias Cormann says people will not be affected and actually 90 per cent of these services are covered by bulk billing, which is too high.

BRIAN OWLER:

Oh, that's completely ridiculous. I mean, you can't take out what is essentially over \$300 million from pathology and not expect that there's going to be some sort of effect on patients. What these services, or the bulk billing incentives are about is to encourage providers not to charge the patient a fee, and for doing so they receive an extra amount from the Government. So usually it's about \$7.05 if you're in metropolitan areas. If you're in regional areas it's about \$10.

So of course the providers, and particularly for pathology providers who have not had any indexation of their rebates for 17 years, this is a very important part of them being able to provide services. And without that money being supplied to those providers of course they're going to have to charge the patients and so you're going to see more patients with more out of pocket expenditure.

And that is the plan of this Government - to pass more expense on to the pockets of the patients and

that is going to affect the sick and the most vulnerable in our community.

I mean it was like being in a time warp listening to Mathias Cormann try and justify these cuts to Health again. Because they are measures that were part of the 2014 Federal Budget co-payment measures ...

PATRICIA KARVELAS:

[Interrupts] So Brian Oowler, is your take that they're repackaging or rebranding cuts that we've previously seen; that I know that the AMA fought very strongly against, and you'd have to say you were successful.

BRIAN OWLER:

... that's exactly what they are doing. And so, while Tony Abbott might have said that the co-payments plan was dead, buried and cremated, it seems to have made a miraculous recovery and it's reaching out from beyond the grave, or at least components of it are. And there are more savings for the Government or they're going to attempt to find more savings for the Government.

PATRICIA KARVELAS:

But is it just- you've said it's a co-payment by stealth. Is it right that it's just that? I mean, it's much more targeted; it's much more specific than the measures we saw in the 2014 Budget. It's not quite the same is it?

BRIAN OWLER:

Well, it doesn't affect GP services but it certainly affects diagnostic imaging and pathology because pathology is across the board. And it is going to affect those with chronic diseases, those that have medical conditions that need to be monitored and each time they undertake some sort of testing, it's much more likely now that they're going to have to pay a co-payment. And that's why it is a co-payment by stealth. It's about forcing providers to actually pass on those costs to their patients.

And at the present time, of course, we have an MBS rebate freeze, and that's been in place now for a few years and there's a plan to continue. As I said, with pathology it's already been going on for 17 years. We've got an MBS review that the Minister has said was all about looking at evidence and coming up with savings and looking at the items. Now, that is serious. If they are serious about looking at the evidence then that review needs to be allowed to run its course, not introducing budget cuts without any discussion with pathology or diagnostic imaging providers, let alone the AMA about introducing these measures.

- PATRICIA KARVELAS: We saw a fierce campaign by the AMA against the previous health cuts. What can we expect this time around? We've got a new Prime Minister. You say that it sounded- well, you got a sense of déjà vu really with this announcement.
- BRIAN OWLER: Absolutely.
- PATRICIA KARVELAS: What do you plan to do? How are you going to fight it?
- BRIAN OWLER: Well of course we've only just found out this afternoon, but I think on behalf of our members, but also the patients of Australia, we need to make sure that we continue to make sure that the Federal Government maintains funding for health. And at the moment, health care policy in this country is a mess. We have umpteen reviews that are in process; no clear vision about what our health system should be doing, except to say that the Federal Government clearly wants to divest itself from any responsibility for looking after health policy and funding health care for the Australian community.
- PATRICIA KARVELAS: What is your evidence though that removing or reducing bulk billing incentives for pathology and MRI scans will stop people from using these services?
- BRIAN OWLER: There is very clear evidence that if you have a financial barrier for either a test or some form of treatment - whether it be a prescription or some other treatment of the patient's needs, there are many patients in the community, particularly those that are most disadvantaged - they will not go and have the test done, or they will have less monitoring, or they will not undertake the treatment. Now, when you start to introduce barriers, financial barriers in primary care that is where you see people with more severe disease presenting to hospital. And that's why it's a false economy - people end up with more severe disease, more chronic disease, and they're going to end up in more expensive hospital care costing the Government more money.
- PATRICIA KARVELAS: So can we expect to see the kind of campaign we saw after the 2014 budget over this measure?
- BRIAN OWLER: Well the AMA will continue to stand up for patients, and particularly those in the most disadvantaged situations; those with chronic disease; those who are

the most sick. So we'll be making our opinions well known to the Government, and expect to hear I think more in the coming days.

PATRICIA KARVELAS: Thank you so much for your time.

BRIAN OWLER: That's a pleasure.

PATRICIA KARVELAS: And that's Professor Brian Owler, he's the national president of the AMA, giving a very different perspective to the Finance Minister Mathias Cormann on these cuts. He says that with the 90 per cent of these kinds of services, these pathology services covered by bulk billing, that it's an unsustainable system, but Brian Owler certainly doesn't agree. And really letting us know there that they are going to oppose this very strongly.

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