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Transcript: AMA President Professor Brian Owler, SKY News, 19 May 2016

Subject: Labor's Medicare Freeze policy, #nomedicarefreeze

KIERAN GILBERT: Good morning and welcome to the program. First to the biggest announcement, policy announcement yet by the Opposition. The Labor Leader Bill Shorten will today promise to lift a freeze on government payments to doctors. The freeze on the Medicare rebate was put in place by Labor back in 2013 but only on a temporary basis. The Government's continued with it, on current projections it's meant to wrap up in 2020, but Labor is going to vow today to get rid of it at a cost of \$2.6 billion across four years. Let's get some reaction to this; we've got the President of the AMA, Dr Brian Owler. This announcement comes, Dr Owler, just as the AMA's planning to start a campaign against the ongoing freeze of the rebate, you'd welcome it.

BRIAN OWLER: Well, we certainly do welcome it, I think it's one of the most positive announcements that we've seen in relation to health in a long time. The AMA's been lobbying both the Coalition and Labor to lift the freeze ever since it was instituted. Certainly since the 2014 Federal budget but it's really reignited the anger amongst GPs when the freeze was extended out to 2020.

Now at the end of the day, this is very good news for patients if a Labor government were elected and lifted the freeze, because essentially this is the patient's Medicare rebate, it's the amount that the patient gets back from the Government and the freeze was all about shifting the cost onto the hip pocket of patients.

KIERAN GILBERT: So the message, is your message now pretty simple, if you're voting on health issues, vote Labor, is that what you're saying?

BRIAN OWLER: Well, we've still got a long way to go in this election campaign. The AMA does not endorse one party over another but I must say it is refreshing to get back to discussing what really matters to individual people, and that's issues such as health, because this effects everyone and I think, so far, we have seen Labor committed to supporting Medicare, particularly in terms of their Medicare rebates and that's good, not only for doctors but all patients. On the other hand, we've had the Coalition announcement of taking another \$1 billion out of health after the last Federal budget only a matter of weeks ago. So, unless the Coalition starts to listen to the AMA, doctors and other groups and starts to invest in health, I think there's going to be a very clear difference when it comes to this election in a few weeks time.

KIERAN GILBERT: The Coalition says that with the freeze in place, it points to figures that suggests that bulk billing has continued to increase, hence the doctors have been able to absorb the cost and still bulk billing rates rise, how do you explain that?

BRIAN OWLER: Well, the freeze has been in place for about two years but it still has another four years to run, and really the extension of the freeze for another two years under the last budget has prompted many doctors now to contact the AMA requesting our help to transition them from bulk billing practices to ones that charge a fee. So I think what we've reached is now a tipping point, I mean doctors have been absorbing it for some time but as doctors costs go up in terms of staff and leases and all of the other practice costs, of course they have to pass those costs on to patients and particularly for practices in low income areas where there's large

numbers of children, those living with chronic disease, the discretion of the GP in particular to bulk bill those patients was always going to be limited by the freeze.

So unless the freeze is lifted, I think we are going to see more costs being passed on to patients and so that's why Labour's announcement today is indeed very welcome by GPs but I think also by patients around the country.

KIERAN GILBERT: Now, on the way that the rebate works, we saw the controversy around the co-payment in 2014 and now Labor's commitment that's costed at over \$2 billion across the forward estimates to re-index the rebate to doctors, is it sustainable the way that this is set up that have gradual increases every year for doctors in terms of the rebate under Medicare, is this a sustainable way to go about things?

BRIAN OWLER: It's the only way to go about things because unless you invest in primary care and invest in general practice then you're going to have patients who are living longer but with more chronic diseases. Now unless you invest in general practice and look after those people, they're going to end up sicker, more likely to end up in emergency departments and costing a lot more money at the end of the day. So if we value health, if we want to make sure that people are well and in the community, we need to invest in it and that's where health needs to be seen as an investment, rather than something to be cut at every budget.

KIERAN GILBERT: That's a very compelling argument in one respect but I guess the question Dr Owler is where's the incentive for GPs to be as productive as they can in all of that?

BRIAN OWLER: Well I think what you need to look at is some of the information that's been coming out today, in fact from the Bureau of Health Information in New South Wales pointing to Australia's healthcare system as being one of the most efficient healthcare systems in the world as well as one of the most successful, so doctors have been providing more efficient care year on year. There is a driver there inherent in the system and I've got to say that the indexation rate has never quite kept pace with the costs of providing quality care anyway so there's always that inbuilt element of driving efficiencies. But at the end of the day cutting money out of primary care, putting financial barriers in place, particularly for patients on lower incomes and those with more chronic diseases is not a smart way for the Government to go. And I think we need to put a greater value on our healthcare system and the health of individual patients and I think that's what today's announcement does.

KIERAN GILBERT: My final question relates to that of fairness across the board because as you know, there are some areas where there is no bulk billing, others where there is large numbers of bulk billing and therefore you get wealthy people being able to bulk bill without any problem, other areas where people less well off are unable to have that afforded to them. Is there any way that you can foresee that we can level the playing field so to speak?

BRIAN OWLER: Well I think GPs tend to respond to the area that they're living in and they run practices in different ways. I think that there are always options available to people. The bulk billing rate at the moment is very high, we know it's going to drop when the freeze comes into place or continues, so I think there are options open to people in terms of bulk billing or paying a fee and I think that's the case in most places.

KIERAN GILBERT: Dr Owler appreciate your reaction this morning to that Labor policy. We'll talk to you soon, Dr Brian Owler, President of the AMA.

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