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Transcript: AMA Vice President, Dr Tony Bartone, Doorstop, 19 October 2016

Subject: GP fees, Medicare rebate freeze, Medicare IT system modernisation

TONY BARTONE: Well, thank you for coming out today on the release of the *AMA List of Medical Fees* book. This is something we do every year, this is something that we've been doing for many years and it's a guidance to our medical practitioners in terms of setting their fees and setting their costs.

It looks at the input costs for the last year, both wages and all the other drivers, including CPI, and gives us - gives our members a guide as to what their fees should be for the year ahead. It looks at the complexities of running a quality medical practice and delivering quality medical care to our patients.

As I said, we have been doing this for many years, and this year is no exception. Of course this year we're doing it in the background of an ongoing Medicare Benefits Schedule freeze. This ongoing MBS freeze is putting significant pressure on the ability of practices to continue to bulk bill, and if a patient is receiving a bill they'll be more out of pocket, year on year.

So, to put that in perspective, for a general practitioner, standard consultation, we're looking now, our guidance is \$78 for a standard consultation. They will continue to receive \$37.05 from Medicare. That \$37.05 has been frozen now for many years, and the Government is committing to not increasing that amount until at least 2020. This means that patients will continue to pay more out of pocket year on year and it's not fair on them.

QUESTION: What would you like to see - in regards to the Medicare freeze, what would you like to see done about it from the Government?

TONY BARTONE: We've called for immediately to reinstitute the indexation of MBS fees. Already there is significant damage being done to the ability of practices to continue to provide that quality medical care, and every day that freeze remains in place is another day that puts quality medical care firmly and more succinctly out of the reach of some of ... [inaudible]. We'd like to see indexation instituted back immediately. Every day the freeze remains in place is another day that patients are paying more out of pocket for their medical services, or that some patients will be forced to have to look at an option other than bulk billing because their doctor will no longer be able to provide services bulk billed to them.

QUESTION: How far do you think - in 2020, if we've still got the same \$37.05, how much will people be paying out of pocket?

TONY BARTONE: This year the fees have - this year, our guidance has just gone up just over 2 per cent. It's a reflection of CPI, wages growth and all other costs - the supplies, the rentals, the electricity, the IT, the phone, the rates and taxes - that go into running a practice. So it depends. The amount that fees could go up in the next few years is dependent on the rate of inflation and the rate of costs growth. But even if we assume that it's only another 2 per cent year on year, that's potentially another \$2 each year that patients will have to face in this Medicare freeze environment.

QUESTION: Just how financially unsustainable has it become for clinics to operate at the moment?

TONY BARTONE: MBS fees have been essentially frozen since late 2012, bar one rise. That essentially means that practices today are having to deliver the quality care based on incomes that were set many, many years ago. With wages increasing, with all the other input costs increasing, it's putting an enormous strain on viability of practices to deliver that important medical quality care that patients in Australia have a right to expect.

QUESTION: What do you think this will mean for patients? Do you think some will put off visiting the GP just because it's simply too expensive?

TONY BARTONE: There is no doubt that some patients will need to look at their ability to attend, or implement the medical plan that their doctor puts in place. Some patients will obviously make a call on whether they pick up that prescription. Some patients will obviously make a call, "do I go today or do I wait and see if my condition gets better", but this is not acceptable in this current age. We have one of the best health care systems in the world, and having patients delay, or delay access to, or implementing their medical care is putting that quality status at risk.

QUESTION: Cuts are going to have to be made somewhere else if the Medicare rebate is to increase. Do you have any propositions or proposals where that could come from, what government should do?

TONY BARTONE: The AMA is happy to sit down with the Minister and look at various options. But understand that at the end of the day, the health budget is the responsibility of the Minister and the Prime Minister and the government of the day. They are the ones who set the budget.

What we are calling for is fairness, access and equity for the average Australian to ensure that they continue to have access to the best possible medical care. It's not up to us to tell the Minister where to make cuts, but we are happy to be consulted to ensure whatever solution is put into place ensures the absolute importance of delivering ongoing medical care to every single Australian.

Look, there - I will just make one other comment, and that is that some people have asked about the timing of today's announcement. This happens every year in October when we release our fees that are to be put into place on 1 November. So it is just our ongoing guidance to the community, in particular our members about the level - the guidance in terms of setting their own fees. Every year, every practice, every doctor needs to look at their budget, needs to look at their costs, and their ability to run an appropriate, a quality medical service.

QUESTION: You say it's guidance; how many members do you expect to take up these recommendations?

TONY BARTONE: The fees we publish are used as guidance for many of our members and many other doctors in the medical community. Every doctor sets his or her fees, but at the end of the day they will do the sums, they will do their budget, they will look at their costs. And just like you go - you could go around, there is a multitude of various billing structures and fees that are implemented at the moment in any practice in Australia.

The Minister has also released today an announcement about the modernisation of the back end of Medicare, the Medicare IT service system. The announcement today by the Minister in terms of modernisation of the MBS payment system is something that we've been in accordance with for many months now. The MBS system, the payment system is out of date. It does not reflect appropriate technological advances for the last 30 years or more.

Patients demand convenience, patients demand up-to-date IT solutions when it comes to their transactions with Medicare. This in no way should be seen as privatisation of the care that the Australian Government must deliver to patients, and the Government has said that it will consult and liaise with doctors and with the community in terms of ensuring that any new processes and procedures that are put in place have the input and the backing of the various stakeholders.

Thank you.

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