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Transcript: AMA President, Dr Michael Gannon, Sky News, 20 March 2017

Subject: Medicare freeze

TOM CONNELL: Before that, we want to talk about another potential move from the Government. It's likely, it seems, to find a breakthrough on its standoff with doctors over the freeze on the Medicare rebate. Doctors get back at the moment \$37.05 for a standard 20-minute consultation, an amount that used to be indexed, so it went up each year, but it was frozen late in the Labor Government. It's a freeze extended under the Coalition until 2020 at the moment. Doctors have been warning the rate of bulk billing is already decreasing and the freeze staying in place could mean more of that, and patients charged more as well.

For more on this, I'm joined by the President of the Australian Medical Association, Dr Michael Gannon, over in Perth. Dr Gannon, thanks for your time today. Can you tell us how close you are to getting agreement with the Government on this?

MICHAEL GANNON: Well, we're certainly having open discussions about this. One of the things that Minister Hunt could be under no doubt about is the importance of having the freeze unravelled across the whole MBS schedule. The freeze affects not only patients attending GPs, but other specialists as well. And it's just one of the elements putting more pressure on the value proposition of private health insurance. It's a measure that is increasing the pressure on our public hospitals. So it has effects across the entire health system.

TOM CONNELL: And so what are we looking at, that it potentially would be indexed again at the normal rate from the middle of this year?

MICHAEL GANNON: Well, the sooner the freeze is unravelled the better. That's good news for patients. It's their rebate; it's their contribution to the cost of seeing a doctor. For a lot of doctors, they will bulk bill patients. Roughly 85 per cent of GP services; depending on the specialty, between 30 and 50 per cent of visits to private specialists. So it's important for them. It's their rebate. But it also affects the rest of the health system.

The other thing about unravelling the freeze is it gives Minister Hunt, it gives the Turnbull Government clean air to try and navigate their way through a health narrative, some new health policy. It gives them clean air to negotiate other elements of their agenda, like we've seen this morning.

TOM CONNELL: So can you just give us an insight if you can, even broadly, on as to what's on the table now, and is it about a quid pro quo - this needs to be paid for somehow - or are we talking about more money into health because of unfreezing this, if it happens?

MICHAEL GANNON: Well, it's not a deal *per se*, but certainly there are ongoing discussions between the AMA and the Government. We know that they're keen to identify savings. But one of the things they've worked out is that those savings are not obvious. One of the things that I've said to Minister Hunt on many occasions is that we need to start looking at the spending in the health system more as an investment, not just a cost. The Coalition was burnt badly at the last election. That's because they were seen not to value health the same way the Australian population does.

They need to find extra dollars. They need to work out ways that they can find this increased spending. Now we're being responsible on this. We know that there is a whole range of things that the Commonwealth Government spends money on. We know it's difficult. We think it's good government to aim to bring the Budget back to balance. But they learnt to their own cost at the last election that people care about Medicare. If they don't unravel the freeze and they don't produce a positive story in health they will get burnt to toast at the next election.

SAMANTHA MAIDEN: Dr Gannon, that's an ominous warning to the Government. I mean, you're not just here to sort of provide political advice to them. Restoring the indexation in full would cost I think about \$3 billion. Presumably you don't expect that they'll do that in full. What's happened to that idea of getting GPs to offer more tailored services for the chronically ill and so on, management plans for people with diabetes? What is- is that the sort of alternative that we're looking on the table? Are they just going to put the \$37 up to 42? How are they actually going to do this if they do it?

MICHAEL GANNON: Well Samantha, you're talking about the Government's Health Care Homes agenda. The AMA is supportive of the trial. We want to see it work. We want to see GPs recognised as the experts in dealing with chronic health conditions, managing health in teams in a longitudinal way. But that's going to require money, and if the Government's serious about it, they're going to need to fund it properly.

But to move forward on things like the profession embracing the electronic health record, to move forward on what the Government calls a Health Care Home, they need to get this monkey off their back. They need to move on from the freeze so that they've got a positive story to tell. Every day the freeze goes on it hurts ...

SAMANTHA MAIDEN: [Interrupts] But you must have some idea of what they're going to do. Can you just like illuminate us a little bit? I mean, what are the ideas that you've been talking to the Government about in terms of taking that \$37 to what? You know, where do you think the Government is at in terms of a solution?

MICHAEL GANNON: Well, we're not under the illusion that the Government is going to restore many freezes that have occurred over the past 20 years or so to anything like the AMA list of fees. We produce a list of fees every year that recognises the increased costs of providing medical practice. We're certainly not under the illusion that the Government's going to spend the tens of billions of dollars to get to that level.

But at the very least, they need to restore indexation so that they recognise that general practitioners, other specialists are running small businesses, the costs of which increase year-on-year. In fact, the costs outstrip normal inflation measures because of the costs of technology the doctors have in their rooms. At the very least, we are asking for the freeze to be unravelled across the whole Schedule so that we recognise that it's not just about GPs, it's about all other specialists supporting the private system, taking the pressure off the public hospital system.

TOM CONNELL: And when you say, just finally, the Government needs a good story to tell or they'll be burnt to toast, that's- essentially are you saying that you'll campaign long and hard if you don't get some serious movement in this area and a few others?

MICHAEL GANNON: Well, the Australian people said what they thought about Medicare at the last election. They told the Turnbull Government that they care about their public hospitals, that they care about Medicare, that they want subsidies when they go and visit doctors when they're sick, when their loved ones are sick. That's not an idle threat from the AMA. That's the political reality. Australians care about health. The AMA cares about Australia's patients. So we want to work constructively. We want to move forward.

TOM CONNELL: Michael Gannon from the Australian Medical Association, thanks for your time today on Sky News.

MICHAEL GANNON: Pleasure, Tom.

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