

Australian Medical Association Limited

ABN 37 008 426 793

42 Macquarie Street, Barton ACT 2600: PO Box 6090, Kingston ACT 2604
 Telephone: (02) 6270 5400 Facsimile (02) 6270 5499
 Website: <http://www.ama.com.au/>



Transcript: AMA President Dr Michael Gannon, 2UE Mornings, 22 June 2016

Subject: Medicare privatisation

STUART BOCKING: The Prime Minister Malcolm Turnbull was forced to play down another day's worth of Medicare scare campaigns by commenting on this.

[Excerpt]

MALCOLM TURNBULL: Their refusal to engage any longer in an economic debate is demonstrated by the desperate lies they are peddling out every day.

[End of excerpt]

STUART BOCKING: Now, he's certainly a man in need of universal health care. Not sounding all that great as we get towards the pointy end of the campaign. But today the new President of the Australian Medical Association, Dr Michael Gannon, suggesting that while some of Labor's policies may be on the right track with health, its claims about privatisation go too far. The President of the AMA, Dr Michael Gannon, has been good enough to join us. He's on the line. Dr Gannon, good afternoon.

MICHAEL GANNON: Good afternoon, Stuart.

STUART BOCKING: Yeah, thank you for your time. Let's firstly look at this. Labour was proposing a review, a potential change to the way that the back office payment system would work. Now of course they're saying well look, we're the greatest friend Medicare's ever had, we created Medicare. Does necessarily any reforms to the backend payment system amount to a privatisation of Medicare?

MICHAEL GANNON: No, it doesn't, and if it did, it would face the opposition of the AMA. The elements of Medicare that the vast majority of the Australian community holds dear - like free treatment in public hospitals and bulk-billing for the neediest in our community - must stay. The AMA's already come out very clearly in this election campaign and supported Labor's promise to undo the freeze on patient rebates to see GPs and other specialists, but fixing up the - a backroom system that's clunky, 30 years old, and doesn't work is not in anyway an attempt to privatise Medicare.

STUART BOCKING: So how have we reached this point where, in the face of comments like yours, what Malcolm Turnbull's saying every single day, that Labor continues, including in some of the ads its running where it says straight out, privatise Medicare?

MICHAEL GANNON: Look, in many ways I'm delighted to see health right at the centre of the election debate. The health of the community is very important. It's a huge centrepiece of Government endeavour. I think consistently, election on election, health is seen to be a strong point of the Labor Party when compared against the Liberal Party. I think that they're very proud of their heritage in creating Medicare and supporting it over the journey. I'm not surprised they want to see it front and centre of the agenda. But I'm not sure that these attacks are fair game. I think that asking the Productivity Commission to see if we can fix up the payment system should not be seen as an attack on what we all hold dear about Medicare.

STUART BOCKING: And the reality is if there's a system we are spending billions and billions of dollars through every single year, it does defy belief that when you're talking about clunky older systems - 30 years old - that there wouldn't be some scope for improved efficiencies there.

MICHAEL GANNON: Well, there's definitely scope for improvements in efficiencies, and whoever does it - whether its done within the bureaucracy in Canberra or its tendered out to a private company - it needs substantial investment to get it right. It's not fit for purpose. It's not easy for patients to get the refunds back that they're entitled to. Those doctors who choose to bulk-bill, they're entitled to timely payment when they accept the patient rebates as a discounted fee on their true worth. So let's fix the system. Let's have an intelligent debate about it.

STUART BOCKING: Is it right when we hear that bulkbilling rates under now the Coalition Government are as high as they've ever been?

MICHAEL GANNON: They are, and look, the AMA has come out in recent years and expressed surprise that this is occurring, even despite the freeze on rebates. It surprises us, but what GPs tell us, what other specialists tell us, is that their ability to continue to pay for the increasing costs of the health system - so whether that's hiring secretaries and receptionists, hiring nurses, paying for consumables - their ability to continue to accept a rebate which has been frozen now for four years, and the plan is to freeze it for years into the future, they are at breaking point. They are going to need to start to charge. What the AMA wants is to have a system where the most vulnerable in our community enjoy protection, they continue to enjoy bulkbilling services.

STUART BOCKING: Is there anything you've heard from Malcolm Turnbull, the Government, that would make you think somehow they're out to dismantle Medicare?

MICHAEL GANNON: I think that if there was any desire to do that, they would face the fury of the Australian people. They'd certainly face the fury of the AMA.

STUART BOCKING: What about some of the changes around incentives for diagnostic testing? An email here telling me when you go and have a blood test, there are posters on the wall about Government changes to blood tests and the cost, saying well, maybe Labor is right about parts of Medicare being privatised. Those incentive payments, they were introduced under the previous Government. Have they been successful, or is there a sound argument to say do away with them?

MICHAEL GANNON: Well, you've raised a good point. There are multiple elements of Labor's policy in this election that the AMA is supportive of and very grateful for. If Labor is elected, they've promised to unravel the freeze on patient rebates in January next year...

STUART BOCKING: [Talks over] Which they started.

MICHAEL GANNON: Yep. True, they did start it, and it's been continued by the Liberal Party. What the Labor Party's also promised is to continue bulkbill incentives so that the neediest patients in our community will not face co-payments for diagnostic imaging and pathology. That's enjoyed the support of the AMA. What we can't support is this argument that having a serious look at how the payment system works is an attack on Medicare.

STUART BOCKING: And that's the reality. So I mean, if suddenly with- people talking about oh, they've got a Medicare task force, a Medicare privatisation task force, it's been dubbed as, which is- the Productivity Commission having a look at well, is there a better way to more productively run what is obviously a very large, multibillion dollar cumbersome system, that doesn't necessarily amount to a privatisation of Medicare.

MICHAEL GANNON: No. You're exactly right. The system is absolutely massive. There are hundreds of thousands of consultations every day, and the vast majority of those involve the Medicare system either being bulkbilled or patients receiving rebates as a contribution towards their GP or outpatient specialist care. We just say that the system needs fixing. That's been recognised by both sides of politics previously. We should be able to have a conversation about making the health system better, and have a serious debate about what the different proposals are.

STUART BOCKING: I'll give you an example. I've been into a skin clinic a while back and had my Medicare card. They said to me well look, we can take you as a patient, but there is an amount to be paid because you haven't been referred by a GP. I just walked in off the street, and I look at that and I think well, okay, well, that's all well and good, but clearly, these are some of the duplications, if you like, that you've got to firstly go to a GP to then go to a specialist skin clinic, when I can walk in off the street, they'll take me, but suddenly I'm paying more for doing that because I didn't tick the box with the GP first.

MICHAEL GANNON: Look, there are multiple elements of our system that seem unusual to patients- I guess what you're referring to there is the way our health system is set up is that GPs are the gatekeepers of the system, and they're best placed to determine who needs to see a specialist or who they can very capably take care of. There are many elements to it. We've got a funding problem in health. What we're interested in, in the AMA, is trying to sustainably fund a system so that the neediest in our community have access to care, like bulkbilled visits to GPs, like bulkbilled access to pathology and radiology. But if we can't have clever conversations about how to efficiently fund the system, we won't be able to protect those who can't afford to look after themselves.

STUART BOCKING: And the important thing is, as well, you unnecessarily scare older people, vulnerable people, if suddenly we start talking about these scare campaigns along privatisation, dismantling Medicare, those sorts of arguments we've been hearing.

MICHAEL GANNON: Well, it's a very potent campaign. Medicare is a sacred cow in Australian politics. It's a sacred cow in the Australian community, and there are substantial elements of it that will need to be preserved and may, from time to time, need to be fought for. We in the AMA fought against co-payment models that didn't give protections to the neediest in the community. We will continue to fight for that. We think that the Liberal Party continuing the freeze on patient rebates is bad policy, but having a look at the back room, fixing an old- 30 year old system, that might be smart policy.

STUART BOCKING: Well look, I appreciate your time this afternoon. Good chatting with you.

MICHAEL GANNON: Pleasure, Stuart.

STUART BOCKING: Yeah, thank you very much. Michael Gannon, who's the new President of the Australian Medical Association. His take on all of that. So any discussion around improvement to the way the payment system works - he's made it very, very clear - is not privatisation of Medicare.

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CONTACT: Kirsty Waterford 02 6270 5464 / 0427 209 753

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