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Transcript: AMA President Dr Michael Gannon, Sky News Live, 22 June 2016

Subject: Medicare rebate freeze, privatisation and payments system

LAURA JAYES: Today the Australian Medical Association came out in defence of the Government. I spoke to AMA President Michael Gannon from Perth a little earlier and whilst he put to bed this privatisation of Medicare, he said one of the biggest issues of this campaign is actually the ongoing freeze of the GP payment under Medicare and he's described that as a co-payment by stealth.

This was Michael Gannon.

[Excerpt]

MICHAEL GANNON: I've heard nothing from the Government, I've heard nothing in conversations with Minister Ley, to suggest that there's any appetite at all for the Government to privatise Medicare. What I have commented on in recent days is that I think any move to look at modernising the payment system is welcome. In many ways it's unfortunate that in the heat of the election campaign the Prime Minister seems to have walked away from what would be essential reform in this area.

LAURA JAYES: We'll get to that in a moment but, just to be absolutely clear, from the conversations that you've had with the Health Minister and figures within the Government, you don't think there's any chance that the Government will look to even section or privatise a section of Medicare?

MICHAEL GANNON: I can see no reason why they would want to do that. I mean, if we're talking about public hospitals and how some state governments will choose to establish public-private partnerships well, that's a completely different issue. But I don't see any appetite or any willingness or any benefit in the Coalition deciding to privatise Medicare.

LAURA JAYES: How out of date is the payment system, when some experts say it hasn't been upgraded since 1984, how urgently does it need to be upgraded, and has this scare campaign basically killed that off?

MICHAEL GANNON: Well, there are elements of the system that do date back to the early years of Medicare in the mid-1980s, and when we talk to patients and we talk to especially GPs, they tell us that this is not fit-for-purpose for the 21st century. We're all used to using our smart phones and our tablets now. It's a digital generation, and we're dealing with a system using technologies that are a generation old. If we can outsource this important area, well then, let's do it.

LAURA JAYES: Well, Labor figures have also suggested today that you're speaking out because once you took over the presidency of the AMA you indicated that you wanted a better relationship with the Government than your predecessor. Is there some truth to that?

MICHAEL GANNON: Well I've said very clearly that I think the AMA does well when it has a good relationship with all stakeholders, whether that's the Government, the Opposition or the crossbench and I would... I'm determined to pursue positive relationships with everyone across the political spectrum. We can talk issue by issue. The major issue in this election

campaign is the freeze on rebates that the patients receive when they see doctors. We've got the Labor Party well in front of the Coalition on that. Public hospital funding, we've seen positive undertakings from the ALP, we want to hear more from the Government. This is not about playing favourites but here's a system that's broken, let's fix it and let's take partisanship out of the issue.

LAURA JAYES: Yes, as you say, you praise Labor for ending the GP freeze, the Government is extending it to 2020. Look, there is some argument that that could be seen as a form of privatisation, what do you think about that?

MICHAEL GANNON: Well, I think that some people could make the argument and I'd be amongst them that if you continue the freeze too much longer, you'll make it impossible for some GPs, some specialists, to continue to bulk bill their patients. If we end up, therefore, with a co-payment by stealth, that's bad policy. Now, that doesn't equate to privatising Medicare, but what it does do is it means the neediest in our community, some of them will defer really important care because they don't have the handful of dollars they need for out-of-pocket expenses. That's not a good policy.

LAURA JAYES: But Dr Michael Gannon, where is the evidence that that is actually happening, because the statistics I've seen is that there's an 85 per cent rate of bulk billing, it's actually up on recent years?

MICHAEL GANNON: What we hear when we listen to our members is that they are telling us that they are at breaking point. They cannot hold on too much longer. A lot of GPs made a decisions that they would continue to bulk bill a majority or all of their patients but, as what happens with their costs, whether it's paying their practice nurse, whether it's paying their reception staff, whether it's paying for consumables, the things that other small businesses pay for, you know boring stuff like stationary and power and gas and water, those costs go up year on year on year. What will happen eventually is that GPs will have to walk away from bulk billing. What we want to see is a system where GPs can be rewarded for their training, their skill, their enterprise, charge a reasonable fee but, for the most vulnerable in our community, those who can't afford even modest payments, to continue to bulk bill those people.

LAURA JAYES: So, if the freeze continues to 2020 or even beyond that, would you see this as a co-payment, potentially by stealth?

MICHAEL GANNON: Well, I think that that might happen. I mean, the freeze needs to be unravelled at some stage. We welcomed the ALP's commitment to undo it in January 2017. We are imploring the Coalition, if re-elected to do the same. We need to find a way to look after the neediest in our community. The AMA's not against privately billing GPs, the AMA is not against those who have an ability to contribute to the cost of their health care continuing to do so. But what we must see is protections for the most vulnerable in the community. The studies exist to show that the poorest in our community will defer care if there's even a \$6 or \$7 price signal. We don't want those people getting sicker. It's bad for them, it's bad for their loved ones and, at the end of the day, it's more expensive when they end up with complications in hospital.

LAURA JAYES: So, you're urging the Government, just finally, to rethink this extension of the rebate [freeze] for doctors until 2020?

MICHAEL GANNON: Well, despite all the commentary today, this remains the number one issue in this election on health. The Medicare rebate freeze is the biggest problem facing patients and the health care system in Australia. We've called for it to be unravelled. For some people to play silly partisan politics with us shining a light on the need to reform one aspect of the Medicare system is really a bit silly.

LAURA JAYES: Dr Michael Gannon, we thank you for your time.

MICHAEL GANNON: It's a pleasure Laura.

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