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Transcript: AMA President, Dr Michael Gannon, Doorstop, Perth, Sunday 25 March 2018

Subjects: AMA Fees List, Private Health Insurance Gap Fees, Vaccination

MICHAEL GANNON: Thank you for coming today. I'm not surprised there is some interest in the stories all across the Sunday tabloids today about doctors' fees. If you get past the subeditor's headlines, you see the true story of the problem with out-of-pocket costs in Australian health care. We've seen a failure of successive governments to index their list of medical fees, the MBS schedule, according to inflation. We've seen the insurers follow by failing to index their schedules. Some of those insurers are guilty of putting their profits above the interests of their patients, and we've seen criticism of the AMA list of fees.

The list of fees is indexed every year according to various measures of inflation and, in many ways, reflects the true cost of delivering health care. The vast majority of doctors deliver services well below the AMA fee, but certainly the AMA list is closer to a list of truth than the Medicare schedule, which lost pace with the true cost of health care 10, 15, 20 years ago.

JOURNALIST: Can you just explain why that list has been kept so close to your chest for so long?

MICHAEL GANNON: The AMA list of fees is a list of recommended fees. Doctors, like all professionals, are able to set their own fees. That is their business. But the AMA list is something for our members and it's something that our members pay for, and it's something that we have restricted to members and other people who pay for the book every year.

JOURNALIST: Are you concerned in this climate of a bit of mistrust in health insurers and things like that, that the public would feel like they've been kept in the dark over these fees, and perhaps they should have been made public before?

MICHAEL GANNON: Perhaps the most important thing about the AMA list of fees is it gives some sort of measure of where governments and insurers should have got to in terms of contributing to the costs of patients' health care. They dropped the football a long time ago. Now the reality is that most doctors use the insurers' no-gap schemes, recognising that substantial out-of-pocket costs are harmful to patients. So, although the AMA stands behind its list of fees, well over 90 per cent of AMA members charge well below the list of fees at the insurers' schedule, using no-gap schemes to minimise the hurt to patients.

Eighty-eight per cent of operations are provided under no-gap schemes. Those fees paid to doctors are typically between one-half and two-thirds of the AMA list of fees. So we always say, doctors are doing their bit to minimise out-of-pocket expenses. Successive governments and for-profit insurers need to take their share of the blame.

JOURNALIST: Just to the average person, it's confusing deciding - or figuring out what your insurance is going to cover is confusing. People - there's a lot of debate around this sort of thing, people are confused. Are you worried at all that people will put off treatments because they're daunted by the prospect?

MICHAEL GANNON: That's an excellent question. We understand how confusing the health system is. We understand how difficult it is to navigate. We understand that patients, when they get sick, are already afraid and scared, and the last thing they want is to second-guess whether they should be having treatments, worried about out-of-pocket costs. Now, that's

the reason why 88 per cent of surgeons and other proceduralists use no-gap schemes. That's the reason why another 7 per cent of procedures are provided under known gaps of less than \$500.

The AMA list of fees represents the true cost of delivering private health care. Doctors deliberately reduce the size of their fee every day to minimise the pain for patients; 86 per cent of visits to GPs are bulk billed, 88 per cent of operations are no-gap services. Doctors are doing their bit. This is part of a deliberate campaign from the health insurers to deflect the blame from what they've been doing in recent years.

JOURNALIST: So what can be done to simplify this for people, and to boost transparency around costs?

MICHAEL GANNON: Well, the most important question that a patient should ask when they make an appointment or before they make an appointment is: does that surgeon use a no-gap scheme? Because we've heard many calls for doctors to publish their fees. The truth is that most private doctors have a whole array of fees, and these numbers are meaningless because it just means we use the no-gap schedules of the different private health insurers.

So if I use, for example, one common item number I might do in my practice for an uncomplicated birth, the insurers have 17 different fees. Now those numbers don't mean anything to patients, but patients are entitled to find out whether or not a surgeon, another proceduralist, is a no-gap provider. If they're not, they are entitled to some sort of idea or estimate, and the AMA is crystal clear on this.

Informed financial consent is best practice ethical medicine and the AMA is crystal clear in not defending egregious, outrageous fee setting which happens with one or two per cent of my colleagues.

JOURNALIST: [Indistinct]

MICHAEL GANNON: So, doctors are working closely with the Health Department in Canberra on this year's seasonal influenza vaccination program, trying to get the best possible value out of the huge investment, and to protect as many vulnerable populations as possible. Part of those discussions are exactly when the vaccine should be released. People who are vaccinated too early in autumn might have lost protection by late in the spring when the virus has mutated. Remember, the reason why you have to have a new vaccine every year is that influenza virus rapidly and quickly mutates. It will be appropriate for some patients to defer having their flu shot well into April.

JOURNALIST: What are the pharmacists [indistinct] that's concerning?

MICHAEL GANNON: Well, we are concerned when pharmacies are out there advertising early flu shots at a time which might not be clinically appropriate, and it's simply not acceptable that pharmacies are deriving a fee for those populations that are entitled to free influenza vaccination. So that's people over the age of 65, that's some groups of children, people with chronic disease, pregnant women, Aboriginal and Torres Strait Islanders, and other high-risk groups are entitled to a free influenza vaccination.

JOURNALIST: So should pharmacies not be advertising vaccination?

MICHAEL GANNON: Well, we welcome any positive promotion of vaccination, this most valuable of public health prevention measures. But we just want the retail pharmacies to be every bit as professional as GPs are, and indeed those employers who organise free

vaccination for their staff are. Let's get as much value as possible, and let's give the vaccine at the clinically recommended time.

JOURNALIST: So you're concerned that pharmacies are misleading the public in regards to when they should have their vaccine and whether or not they should pay [indistinct]?

MICHAEL GANNON: Well, certainly we're aware of - hopefully only a minority - of cases where pharmacies have charged patients who are entitled to free vaccination. We don't want to diminish this most positive of health messages and to diminish the importance of the seasonal influenza vaccination campaign. But my advice to patients is to consult your doctor about the most appropriate time for you, your children, your elderly relatives, your loved ones to receive influenza vaccination.

JOURNALIST: Why do you think pharmacies are offering the flu vaccinations [indistinct]?

MICHAEL GANNON: Obviously, pharmacists want as many people as possible to receive the vaccine from them. I would assert that in an ideal world, a visit to your GP to get other positive health promotion messages at the same time that you receive influenza vaccination is ideal. That genie is out of the bottle. Pharmacies are allowed to give vaccines, but I want them to be as responsible and professional as possible in recommending that it's given at the right time, not when someone happens to be in their shop.

JOURNALIST: When is the right timing to have a flu vax?

MICHAEL GANNON: Well, doctors are working closely with the Health Department in Canberra on the rollout of this year's influenza vaccine. We're expecting the majority of stocks to be rolled out in the middle of, later in April.

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