

GEOGRAPHIC ALLOCATION OF MEDICARE PROVIDER NUMBERS

Currently, allocation of medical provider numbers is based on performance as measured by successfully undertaking specialist training. Doctors across all specialities have rights to choose their preferred practice location. Governments and communities provide non-fee-for-service incentives to encourage doctors, particularly GPs, to rural and remote areas. Despite these incentives, there is still a medical workforce shortage in rural and remote areas. Some parties have suggested allocation of Medicare provider numbers according to geographical location as a strategy to remedy this maldistribution, particularly for GP services.

The Australia Institute, for example, recently proposed that provider numbers be allocated to geographical areas according to population and other demographic criteria to bring about an equitable distribution of GP places. The reasoning was that a decrease in the number of urban doctors, particularly in wealthy areas, would force a concomitant increase in the number of doctors in areas of disadvantage. The proposal included the auctioning of provider numbers in areas where the number of doctors exceeded the number that could be justified by public health needs. Where there was an inadequate supply of doctors the price would be zero. (It should be noted that to date there is not acceptable measurement of the doctor/patient ratio in Australia).

Proponents argued that this dependence on competitive market forces would provide the means to overcome both the market power of the new medical corporations and the reluctance of doctors to work in rural areas in particular.

AMA Position

Rural/remote and urban fringe areas are disadvantaged in terms of access to health care. But forcing doctors to non-metropolitan locations by placing criteria other than performance on the provision of Medicare provider numbers will not have the desired effect. The proposal simply fails to address the real reasons for the reluctance of doctors to take on careers in disadvantaged areas. These factors include: the high on call burden; difficulty in gaining access to local hospitals; professional isolation (particularly for specialists); families educational needs (ie children entering high school); inadequate financial incentives; poor spouse employment opportunities; lack of privacy; and poor housing.

The suggestion that an auction of provider numbers based on location would somehow overcome the market power the new medical corporations is unclear. Auction of provider numbers may in fact lead to a concentration of corporate medical services with access to extensive vertically integrated health care services in more advantaged areas and may also concentrate 'skill' in urban areas. This would have a negative impact on those areas that already suffer disadvantage in terms of access to specialised medical services in particular.

The restriction of trade inherent in such a concept is likely to have the opposite effect on the overall number of GPs. A fall of 20% in the number of junior doctors applying for general practice training in 2001 is influenced in part by the current climate of poor remuneration, extraordinary long hours and increasing bureaucratic interference in general practice. Attempts to dictate their practice location will only make general practice even more unattractive, further disadvantaging those areas with problems of access to health care.

Finally, AMA legal advice is that the implementation of geographic allocation of provider numbers by the Commonwealth Government could be in contravention of the "civil conscription" clause in Section 51 (23A) of the Australian Constitution.