

2015

## TIME FOR PRIME MINISTER TO ABANDON REBATE CUT

AMA President, A/Prof Brian Owler, has urged Prime Minister Tony Abbott to personally intervene and overturn Federal Government plans to slash the Medicare rebate for GP consultations lasting less than 10 minutes.

As Labor joined the Greens and several cross-bench senators in vowing to oppose the measure, A/Prof Owler said the Prime Minister should immediately bring an end to the fear and uncertainty the Government has caused for doctors and patients around the country and announce that the \$20 Medicare rebate cut for Level B GP consultations, due to come into effect next Monday, had been abandoned.

A/Prof Owler vowed there would be no let-up in the pressure on the Government to reverse course, revealing he had personally written to the Prime Minister asking him to intervene and reaffirming plans for a series of doctor rallies around the country early next month to protest the change.

“No issue in recent memory has provoked outrage among doctors like this rebate cut,” the AMA President said. “The change, which was always about the Budget bottom line rather than health policy, means patients face the likelihood of more out-of-pocket expenses.”

Under the measure, unveiled just two weeks before Christmas, the Medicare rebate for GP Level B consultations lasting less than 10 minutes will be drastically cut from \$37.05 to \$16.95 – a \$20.10 reduction. The change is due to come into effect on 19 January.

In his letter to the Prime Minister, A/Prof Owler said the change had been introduced without consultation and would hurt both patients and family doctors.

“Your Government has imposed this significantly detrimental measure on general practice without consultation, with only five weeks’ notice, and during a period when they are operating with minimum staff,” the AMA President said in his letter to Mr Abbott.

“You have left it to general practitioners to explain your ‘savings’ measure to the Australian people.”

The change was introduced by regulation, which means it can be disallowed by the Senate, but only after Parliament resumes on 9 February.

It appears increasingly likely that this will be the case, now that Labor, the Greens and at least four cross-bench senators have indicated they will vote to have the regulation change overturned.

But A/Prof Owler said any disallowance motion could take weeks or months to come into effect, and in the meantime patients and doctors would be hit with higher charges and costs unless the Government bowed to common sense and undid the change before next Monday.

“It was never a good idea, and Mr Abbott should take this opportunity to ditch it and instead consult with the medical profession on how to support quality primary health care.

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“The AMA has always argued that the focus needs to be on rewarding quality care.”

Even if the Government abandons the rebate cut for shorter consultations, the AMA President warned other changes, including a \$5 cut to Medicare rebates for general patients from 1 July and a freeze on Medicare rebate indexation through to mid-2018, amounted to an attack on general practice that would inevitably lead to increased out-of-pocket expenses for patients and undermine health care.

He said the policies were likely to lead to higher health costs in the long-term, as patients deterred by increased expenses put off seeing their doctor. Eventually, as their health deteriorates, they will need more intensive and expensive treatment, possibly even hospitalisation.

“Primary health care is provided primarily by practitioners who practice in a small business setting,” A/Prof Owler said in his letter to Mr Abbott.

“These practices will not be able to absorb the cuts your Government has made to the Medicare rebate. Costs will be passed on to patients. Some will be able to make these payments but many will not. These costs may deter many patients from seeking early treatment.”

A/Prof Owler said hundreds of doctors from around the country were expected to attend the rallies to be held early next month.

“The level of anger and disbelief within the general practitioner community that your Government has so little regard for the value of their services at the front line of Australian healthcare is unprecedented,” he warned the Prime Minister.

A copy of the letter from A/Prof Owler to Mr Abbott is attached.

8 January 2015

The Hon Tony Abbott MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

Dear Prime Minister

I write to highlight the iniquitous impact of the changes which you announced in December with respect to timed general practice consultations and to ask that you urgently make a new regulation to repeal the *Health Insurance (General Medical Services Table) Amendment (Duration of Attendances) Regulation 2014* (the regulation) before it commences on 19 January 2015, or take any necessary steps to the same effect.

The regulation requires general practitioner Level B consultations to now be of at least 10 minutes in duration. Patients' Medicare rebates for more than 20 million (23%) consultations have been cut by \$20.10, stripping more than \$500 million out of general practice per annum.

Your Government has imposed this significantly detrimental measure on general practice without consultation, with only five weeks' notice and during a period when they are operating with minimum staff. You have left it to general practitioners to explain your "savings" measure to the Australian people. This is hardly congruent with a Government that is "totally committed to rebuilding general practice" and that is "cutting red tape".

Contrary to your Government's rhetoric, commodifying general practitioner services into 10 minute units of time is not conducive to quality care. Quality health care is a function of the care delivered by the general practitioner for the specific circumstances and needs of each patient. These are as variable as patients themselves. As with all aspects of medicine, the general practitioner's service must deal with the complexity of the patient's condition. The length of the service depends on the skill and experience of the medical practitioner and the medical practitioner's knowledge of the patient.

The level of anger and disbelief within the general practitioner community that your Government has so little regard for the value of their services at the front line of Australian healthcare is unprecedented.

In health policy terms the measure is short-sighted. As the backbone of Australian health care, general practice is proven to be cost-effective in preventing, managing and delaying the development of health conditions and the associated downstream health costs.

Primary healthcare is provided primarily by practitioners who practice in a small business setting. These practices will not be able to absorb the cuts your Government has made to the Medicare rebate. Costs will be passed on to patients. Some will be able to make these payments but many will not. These costs may deter many patients from seeking early treatment.

The effect of the regulation will be compounded in mid 2015 when the \$5 rebate cut for general patients is introduced, and thereafter with the indexation freeze on Medicare Schedule fees.

The AMA wants to work with your Government to find realistic and sensible long term approaches to primary care. The proposed changes are not the solution. Worse, the proposed changes threaten the very viability of general practice.

I ask that you make the time for an early meeting to discuss these concerns.

Yours sincerely

A handwritten signature in black ink, appearing to read 'B. Owler', written in a cursive style.

A/Prof Brian Owler  
President