

A U S T R A L I A N

Medicine

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Budget
2016-17

Department of Health

Budget 2016-17



AMA

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Medicine

Managing Editor: John Flannery
Editor: Adrian Rollins
Production Coordinator: Kirsty Waterford
Contributors: Maria Hawthorne
Odette Visser
Graphic Design: Streamline Creative, Canberra

Advertising enquiries

Streamline Creative
Tel: (02) 6260 5100

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42 Macquarie St, Barton ACT 2600
Telephone: (02) 6270 5400
Facsimile: (02) 6270 5499
Web: www.ama.com.au
Email: ausmed@ama.com.au

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AMA LEADERSHIP TEAM



President
Professor Brian Owler



Vice President
Dr Stephen Parnis

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Budget billion dollar hit on households

Main points

- **Medicare rebate freeze extended to 2020**
- **Indexation delays cost households \$370m**
- **Bulk billing set to fall**
- **\$2.9 billion for public hospitals**
- **\$60 million for new drugs**



The Federal Government is increasingly pushing the cost of care onto patients and households as it screws down on health spending, undermining Medicare and putting the poorest and sickest at risk, AMA President Professor Brian Owler has warned.

As the Federal Government prepares for a 2 July election, it has raided Medicare for almost \$1 billion in savings by extending the rebate freeze, pushing the system to the point where GPs will be forced to cut back on bulk billing and begin charging patients, Professor Owler said.

At the same time, it has taken an axe to aged care, public dentistry and community health program funding, is targeting the Medicare Benefits Schedule for multi-million dollar savings, and has further delayed indexation of the Medicare Levy Surcharge and the Private Health Insurance Rebate thresholds, costing families an extra \$370.9 million between 2018-19 and 2019-20.

Professor Owler said the Budget continued the Government's "stranglehold" on the Medicare system, constituted "another hit to household budgets, and represent extra disincentives to people accessing health care when they need it".

The Government's decision to extend the freeze on Medicare rebates to 202 would be the "tipping point" for many medical practices, the AMA President warned, forcing many to wind back bulk billing and begin charging patients.

The Budget confirmed Prime Minister Malcolm Turnbull's pledge

to provide an extra \$2.9 billion for public hospitals, and included more than \$57 million for new drugs, almost \$10 million to help protect the nation against the overuse of antibiotics, more than \$33 million for Indigenous eye tests and \$21 million for a trial of Health Care homes.

Health Minister Sussan Ley said the Budget showed the Government would lift its spending on health, aged care and sport to \$89.5 billion next financial year – a 4.1 per cent increase from 2015-16.

"Our reforms are targeted to meet the growing needs and expectations of the modern consumer and are bold and broad, but also affordable, achievable and, most importantly, fair," Ms Ley said.

The Minister said the Government had a "clear focus" on integration and innovation, and she pledged that it would "eliminate waste, inefficiency and duplication wherever we find it".

"The Turnbull Government will make sure every health dollar lands as close to the patient as possible," Ms Ley said.

But Professor Owler said the positive initiatives in the Budget had been overshadowed by the cuts, and the document was a missed opportunity for the Government to "steer a new course and a new strategy of health policy and health sector engagement".





Budget billion dollar hit on households

... from p3

The AMA President said that instead, the Government's strategy had been to attack health professionals.

"Doctors, pharmacists, nurses, Aboriginal health services, and even medical receptionists, have in the past week been blamed for rorts and waste in the system, with incorrect and inaccurate statistics being used to push these mischievous claims," he said.

Professor Owler said the attacks were a subterfuge being used by the Government to distract public attention from "the main game – the fact that the Government's health policies, in the main, are all about making savings to the Budget, not improving access to quality affordable health care for all Australians".

The AMA President said it was a myth that health spending was out of control, as the Government has claimed – this financial year it comprised less than 16 per cent of the Commonwealth Budget, down from 18 per cent a decade ago.

He also took issue with health insurer complaints that doctors were driving up their costs, pointing out that in many cases specialist fees had not been indexed in a decade.

"Contrary to the line being pushed by the Government and the private health insurers, medical services are not an issue for the insurers or for patients," Professor Owler said. "Some insurers have been only too eager to vilify doctors even though the publicly listed PHIs have posted record profits, their executives are paid multimillion dollar salaries, and when doctors charge above the PHI schedule, the PHI contribution falls to 25 per cent of the scheduled fee."

The Government already faces a campaign from pathologists and diagnostic imaging providers over its decision to axe and reduce bulk billing incentives, and Professor Owler warned it ran the risk of more health groups joining them if it did not change policy direction and improve its public relationship with the health sector.

ADRIAN ROLLINS

Budget quotes

"Tonight we've seen an extension of the Medicare rebate freeze, and that means that the Government has extended its stranglehold on patients' rebates. That means 925 more million dollars out of the pockets of everyday Australians; it means that people are going to have to pay more out of their own pockets when they receive medical treatment"

– *AMA President Professor Brian Owler*

"This is a plan that will ensure our children and our grandchildren enjoy the great opportunities these times offer them. This is a responsible economic plan for growth and for jobs"

– *Prime Minister Malcolm Turnbull*

"If you earn less than \$80,000, which is 75 per cent of all Australian workers, you will not get a cent out of this budget, but your schools will be cut, the hospitals will be cut and we will see precious little action on climate change"

– *Opposition leader Bill Shorten*

"Our reforms are targeted to meet the growing needs and expectations of the modern consumer and are bold and broad, but also affordable, achievable and, most importantly, fair"

– *Health Minister Sussan Ley*

"Mr Turnbull has again smashed Australia's health system, ripping another \$2.1 billion out of health spending and keeping the GP tax in place for another two years – a measure that will cost Australian families \$925 million"

– *Shadow Health Minister Catherine King*

"It [the Medicare rebate freeze] will very likely see consumers paying greater gap payments as the price the Government pays for Medicare services won't even keep up with inflation"

– *CHOICE CEO Alan Kirkland*

"The 2016 Federal Budget has done absolutely nothing to reverse the increasing pressure on Australia's world-class health care system"

– *Royal Australian College of General Practitioners President Dr Frank Jones*



Patients to pay for extended rebate freeze

Main points

- Medicare rebate freeze extended to 2020
- Health Care Homes trial gets \$21.3 million
- \$21.2 million cut to Practice Incentives Program

Bulk billing rates will tumble and patients will increasingly be charged to see their GP following the Federal Government's decision to extend its controversial Medicare rebate freeze through to 2020, AMA President Professor Brian Owler has warned.

Professor Owler said the move, which the Government estimates will save it \$925.3 million over the next four years, undermined the value of Medicare and would increasingly push the burden of health care off the shoulders of Government and on to doctors and their patients.

The Medicare rebate was first frozen by the previous Labor Government in 2013, and the following year the Abbott Government extended it until 2018. The latest decision means that it will be almost seven years by the time there is an increase.

Professor Owler said GPs had so far absorbed the cost, holding up bulk billing rates, but he cautioned that this could not continue.

"The rent for the rooms, the costs of providing equipment, the costs of providing staff – all those costs rise year on year," he said. "GPs have absorbed it. They've absorbed the rebate freeze."

But, Professor Owler added, this was "just something that cannot continue".

He said the prospect of an additional two years without an increase would cause many doctors and medical practices to conclude that they could no longer afford to carry the cost.

"I think we're going to see people...start to say, 'We can't sustain it anymore, we can't absorb these rebate freezes, we're going

to have to start to charge our patients'," Professor Owler said. "We're going to start to see that tipping point reached where Medicare patients now are going to start to be charged, and bulk billing rates are going to fall."

Health Minister Sussan Ley said the decision to extend the rebate freeze for a further two years had been taken "in recognition of the current fiscal environment".

But Ms Ley sought to reassure doctors by floating the possibility that the rebate freeze could be reviewed depending on the identification of improvements and efficiencies through its Healthier Medicare reform package, which aims to improve the care of patients with chronic and complex health problems.

Under the reform, dubbed Health Care Homes, chronically ill patients will nominate their preferred GP, who will then receive bundled payments to provide their care, while continuing to be paid fee-for-service for other patients.

The care model has been developed based on the recommendations of the Primary Health Care Advisory Group, and the Government envisages that the bundled payment model will give doctors the time and flexibility to develop care plans tailored to the needs of each patient.

In the Budget, the Government has allocated \$21.3 million for a trial of up to 200 Health Care Homes involving around 65,000 patients with chronic and complex conditions.

But this is largely offset by a \$21.2 million cut to the Practice Incentives Program (PIP).

The Health Department has announced the PIP system will be "streamlined and simplified" to reduce the regulatory burden on practices while ensuring incentives were better targeted.

"Redesigning the incentives will focus on quality improvement across the range of GP incentives, and will draw on best practice examples and feedback from across the sector," the Department said.

ADRIAN ROLLINS



\$2.9 billion just a 'down-payment' on hospitals - AMA



The almost \$2.9 billion restoration in funding for public hospitals goes nowhere near meeting growing demand, AMA President Professor Brian Owler said.

In what one health academic described as a “pea and thimble” Federal Budget, Treasurer Scott Morrison delivered no surprises in public hospitals funding.

There was no increase to the agreement negotiated at the 1 April Council of Australian Governments meeting to restore almost \$2.9 billion over three years, from the billions cut in the 2014 and 2015 Budgets.

“The AMA welcomes confirmation of the almost \$2.9 billion in COAG funding for public hospitals, but we see this as a down-payment only,” Professor Owler said.

“The States and Territories will need significant extra funding if they are to build hospital capacity to meet growing demand.”

Mike Woods, Professor of Health Economics at the University of Technology Sydney, agreed, noting that growth in total Commonwealth funding will be capped at 6.5 per cent a year for three years from 2017-18 – at a time when expenditure is forecast to rise by 9.9 per cent.

“This is very much a stop-gap measure to get the federal government through the upcoming election,” Professor Woods wrote in *The Conversation*.

“The underlying problem for the states is the escalating cost of delivering public hospital care. The issue may have been

deferred, but it hasn't gone away.

“Health is the single largest expenditure item in all of their budgets. And expenditure has been growing at around 5 per cent in real terms over the past decade. This isn't sustainable.

“Over the next three years the incoming federal government, of whatever political persuasion, will need to sit down with the states and territories and agree on reforms to reduce the rate of growth of health expenditure.”

Professor Stephen Duckett, the Director of the Grattan Institute's health program, described it as a “pea and thimble” Budget which attempted to erase memories of previous cuts under the Abbott and Hockey administration.

“The most significant apparent budget spend is on public hospitals. The deal reached with the Premiers on April Fool's day is costed at almost \$2.9 billion,” Professor Duckett said.

“This can be spun two ways: that it is almost a \$3 billion injection into the public hospital system or that it is still an effective cut on what was promised by both Labor and Liberal prior to the 2013 election.”

The Australian Healthcare and Hospitals Association (AHHA) welcomed the Government's shift away from its previous stance on funding based only on population and CPI growth.

While the return to activity-based funding based on a national efficient price was sensible, further work was needed with a focus on safety, quality and reducing preventable hospitalisations.

“While the improved support for hospital funding until 2020 has provided some relief for the hospitals sector, concerted efforts will be required to reduce the increasing demand for hospital services,” AHHA Chief Executive Alison Verhoeven said.

“Savings flagged in the aged care provider funding of \$1.2 billion over four years will also potentially impact on hospitals who traditionally pick up complex care when the aged and community care sector cannot deliver appropriate support to elderly people.

“Unfortunately for the states and territories, and for Australians who rely on public hospitals, hospital funding remains a hole that is only partly plugged.”

MARIA HAWTHORNE



Cigs up should mean smoking down



The Federal Government will push the cost of a packet of 25 cigarettes to \$40 by the end of the decade after unveiling a plan to hike the tobacco excise.

A year after the AMA released a Position Statement calling for repeated real increases in tobacco taxation, the Government has unveiled plans which replicate Labor's policy to increase the excise by 12.5 per cent a year over four years, raising \$4.7 billion. The first excise increase will take effect on 1 September next year.

But whereas Labor, using Parliamentary Budget Office calculations, estimated the tax hike would reap an extra \$47.7 billion in revenue over 10 years, the Government said Treasury estimates indicated that it would generate a more modest \$28.17 billion in tax income.

The discrepancy sparked a war of words between the major political parties, with the Coalition claiming Treasury's analysis had blown a \$20 billion hole in the Opposition's policy costings. But Labor's Treasury spokesman, Chris Bowen, rejected the claim and said it would recalibrate its revenue estimates in light of Treasury's updated figures.

Either way, the measure is seen as a positive move for efforts to encourage smokers to quit and deter young people from picking up the deadly habit.

The proportion of adults smoking on a daily basis has virtually halved in the last two decades, from more than 26 per cent in

1993 to 13.3 per cent in 2013, and much of the reason for the decline has been attributed to the rising cost of cigarettes.

Historically, smoking rates have dropped every time there has been an increase in the tobacco excise, and a survey of smokers in New South Wales in 2010 found almost half had changed their behaviour as a result of a price increase, including 28 per cent who tried to quit and a third who cut down on their intake. Importantly, younger smokers were the most likely to try to quit as a result of a price hike.

An average pack of 25 cigarettes currently costs between \$25 and \$30, and health advocates said that pushing it to \$40 would help drive more to quit.

Melbourne University Professor of Public Health Rob Moodie said that increasing the cost of cigarettes through taxation was "the most effective way of decreasing the number of Australians who die or get ill from smoking".

But, writing in *The Conversation*, Professor Moodie lamented that little of this extra money was likely to be reinvested in preventive health programs, as has been advocated by the AMA.

He argued that because excise increases were effective in reduce smoking, the Government should also consider a tax on sugar and increasing the excise on high alcohol drinks.

Accompanying the excise hike, the Government has announced that the duty free tobacco allowance will be cut to 25 cigarettes or their equivalent from 1 July next year.

The Government admitted these measures could increase the risk that people would try to smuggle tobacco into the country, and has committed an extra \$7.7 million over four years to combating the trade, along with increased penalties.

In addition, the Government has committed to continue funding the defence of Australia's ground-breaking tobacco plain packaging legislation against legal challenges being mounted by tobacco companies and tobacco-exporting countries.

"Tobacco plain packaging is a critical part of the Government's comprehensive range of tobacco control measures, and has been effective in reducing smoking," the Health Department said. "The Australian public can be assured the Government will continue to do all it can to defend tobacco plain packaging."

ADRIAN ROLLINS



Govt targets big savings in Medicare crackdown



The Federal Government expects to save more than \$120 million by cracking down on Medicare waste and fraud and axing obsolete service items.

As the Government intensifies its hunt for savings, Health Minister Sussan Ley has announced she will toughen Medicare compliance activities and expects to save \$66.2 million over the next four years by using advanced data analysis techniques to “better detect fraud, abuse, waste and errors in Medicare claims”.

The Health Department said it will audit an extra 500 providers each year, and will use sophisticated software to identify irregular payments and behaviours.

It said similar methods used by private insurers had in some instances achieved a 10-fold increase in the number of non-compliant activities detected.

The Government expects to achieve a further \$56 million in savings by removing and amending listings on the Medicare Benefits Schedule.

In the first instalment of savings delivered by the MBS Review Taskforce led by Professor Bruce Robinson, the Budget has revealed the Government expects to save \$5.1 million over the next four years by deleting 24 items and restricting access to two others.

These include gall bladder x-rays, larynx biopsies, the injection of hormones to manage habitual miscarriage and the use of x-rays to diagnose deep vein thrombosis.

In addition to these changes, the Government estimates it will save \$51.4 million by axing a further 60 items identified by the Medical Services Advisory Committee and replacing them with around 30 new items.

These items include skin patch tests used by dermatologists, hip arthroscopy changes, fat grafting in spinal surgery and skin flap items for small excisions.

While the AMA supports work to modernise the MBS and remove obsolete or dangerous items, it is wary that it is being used by the Government as primarily a cost-cutting exercise.

Professor Robinson told an AMA-hosted forum earlier this year that his task was “not to save money. The Government may make savings, but I hope that the money is reinvested in health”.

AMA President Professor Brian Owler acknowledged the review was like to deliver some savings, but warned the medical profession’s goodwill and support for the process was contingent on any savings made being “held within health, to provide better services to patients”.

Against the \$122 million of Medicare savings identified in the Budget, the Government announced it would spend \$33.8 million over four years on tests for Indigenous people whose eyesight is threatened by diabetic retinopathy.

In addition, the Government has allocated \$3 million over the next four years to provide for magnetic resonance imaging for breast cancer patients where conventional techniques fail to show the source of the tumour.

ADRIAN ROLLINS



Private Health Insurance – no reforms in Budget

Health Minister Sussan Ley has deferred action on private health insurance (PHI) reform until after the Federal Election, instead announcing a new committee to advise her on the path forward.

Despite already undertaking a review of PHI, and setting up a working party on the cost of prostheses, the Government has now committed \$2.2 million over three years to establish an expert group – the Private Health Sector Committee (PHSC) - to provide technical and specialist advice on designing and implementing the reforms.

“A Department of Health online survey elicited over 40,000 responses. In something of an understatement, the minister reported that, ‘... consumers are frustrated with their Private Health’

The Prostheses List Advisory Committee (PLAC) will be reconstituted and enhanced to include additional expertise, as recommended by the Industry Working Group on PHI Prostheses Reform.

With PHI rebates budgeted to cost \$6.5 billion in 2016-17, the Government has also continued the freeze on rebate thresholds, saving more than \$370 million.

“The 2016–17 Budget puts in place key building blocks to reform the private health insurance system for the long-term benefit of consumers,” Ms Ley said.

“This will include a consumer-focused expert Private Health Sector Committee, as well as a revamp of the current Prostheses Listing Advisory Committee to make medical devices more affordable and available to Australians faster, without compromising safety.”

Commentators were not convinced.

“In October last year, the federal minister for health launched a series of national consultations focused on the consumer value of private health insurance and the long-term sustainability

of current arrangements,” Mike Woods, Professor of Health Economics at University of Technology Sydney, wrote in *The Conversation*.

“A Department of Health online survey elicited over 40,000 responses. In something of an understatement, the minister reported that, ‘... consumers are frustrated with their Private Health.’

“The immediate response was to set up a working party on the cost of prostheses. The budget is also funding a private health sector committee to provide advice on private health insurance reforms – an issue for some time after the election.

“In the meantime, the government is making more savings by continuing to “pause” the indexation of the private health insurance income tiers.”

News Ltd’s national health reporter Sue Dunlevy wrote that “despite talking up the need for health fund reform and undertaking a review, Ms Ley has refused to act on the advice she received”.

“Instead, she has set up another committee – the Private Health Sector Reform (sic) Committee – to spend three years advising her on private health insurance reforms,” Ms Dunlevy wrote.

“Health fund members who faced a 5.59 per cent premium rise last month will have to spend another \$2.2 million through their taxes to fund this committee.”

The private health sector, predictably, was more generous.

The Australian Private Hospitals Association (APHA) said the Government was taking the right approach: “Rather than ripping money out of the system and causing chaos it will allow managed reform to a sustainable system.”

Private Healthcare Australia (PHA) said the PHSC would oversee the implementation of measures that would eventually save more than \$800 million a year and keep premiums lower.

The AMA’s submission to the PHI Review last December predicted the review would find what medical practitioners see daily: that people often only discover they are not covered for common procedures when they need treatment.

MARIA HAWTHORNE



Cuts to aged care need closer examination - Owler

Main points

- Aged Care Funding Instrument to be 'refined'
- Indexation increase to Complex Health Care to be halved
- \$1.2 billion to be saved

An unexpected blowout in complex health care funding claims in aged care homes has led the Government to change the way it funds the sector.

The Government used the Budget to announce plans to save \$1.2 billion from aged care from 2015-16 to 2019-20.

But AMA President Professor Brian Owler says the proposed cuts need more scrutiny.

"There are ... significant cuts to the aged care sector which require closer examination," Professor Owler said.

The Government plans to refine its Aged Care Funding Instrument (ACFI) so that it does not "encourage distortions in claiming behaviour and care delivery" after higher than expected growth in funding claims.

"The Government has increased funding estimates for residential aged care by \$3.8 billion over five years from 2016-17 to 2019-20," the Budget papers say.

"Growth in ACFI funding has been driven by higher than anticipated claims in the Complex Health Care (CHC) domain. This growth cannot be attributed to a natural increase in frailty as it is two and a half times the growth in the other two care domains (ie Activities of Daily Living and Behaviour) and increased sharply.

"In developing the measure, the Government consulted with the sector to understand the areas of ACFI that could be better aligned with contemporary care practices."

Some of the savings will be reinvested, including \$102 million to improve services in rural and remote areas, and \$10.1 million



to allow the Australian Aged Care Quality Agency to continue unannounced site visits to aged care homes.

But Associate Professor Helen Dickinson, from the University of Melbourne's School of Government said aged care, like disability, had been targeted for unrealistic projected savings.

"In aged care, \$1.2 billion will be saved through the 'better use of funding'," A/Professor Dickinson said.

"Some of the \$249 million reinvestments will be welcomed ... yet it is difficult to see how these relatively small investments will meet the intended aims of 'preventing a spending blowout' in coming years and are likely to shift increasing costs of aged care to future governments."

MARIA HAWTHORNE



Hep C drug mystery

The Federal Government has not disclosed how much it intends to spend on its goal of virtually eradicating hepatitis C from the country within a generation.

In one of the Government's most ambitious public health measures, all adults with chronic hepatitis C have been provided subsidised access to hugely expensive frontline drugs that have a high rate of success in eliminating the disease within months.

More than 230,000 are estimated to be currently living with hepatitis C, which kills around 700 a year, but for most the drugs that could cure their ailment - Sofosbuvir, Daclatasvir and Ribavirin - were prohibitively expensive, costing as much as up to \$100,000 for a course of treatment.

But hepatitis C have, since 1 March, had subsidised access to the drugs through the Pharmaceutical Benefits Scheme - an arrangement confirmed in the Budget.

Announcing the measure at the time, Health Minister Sussan Ley said it provided "great hope we can not only halt the spread of this deadly infectious virus, but eliminate it altogether in time".

The Minister has explicitly linked the decision with the highly controversial move to axe bulk billing incentives for pathology services and cut them for diagnostic imaging - a measure expected to save \$650 million over four years.

But in the Budget the Health Department said the cost of the measure was "not for publication".

By contrast, it has announced that \$57.6 million has been set aside to fund new and amended listings of drugs on the PBS and the Life Saving Drugs Program.

The Department said the PBS would cost \$10.1 billion overall in 2016-17.

In addition, the Government has revealed it will spend \$20.4 million to improve speed and efficiency of the system to regulate therapeutic goods, with the aim of bringing new drugs to market more quickly - in some cases up to two years sooner.

Under the plan, the number of committees advising the TGA will be cut from 11 to seven, costs and administrative burden for industry will be reduced, and the time taken to assess products will be reduced by up to three months by drawing on the work of comparable regulators overseas, such as the US Food and Drug Administration.

In addition, commercial organisations approved by the TGA will be allowed to undertake assessments of medical devices, and there will be new approval pathways for sponsors to add medicines and devices.

ADRIAN ROLLINS

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INFORMATION FOR MEMBERS

Doctor in Training selected for World Medical Association leadership program

The AMA's nominee, Dr Alan Pham, has been accepted into the WMA leadership program, *Caring Physicians of the World: Medical Leadership, Communication and Advocacy Course 2016*.

The course will be held in Jacksonville Florida in early May.

Dr Pham is a surgical trainee from Sydney. His first degree is a Bachelor of Arts in Cognitive Science from Rice University, Houston, Texas. He undertook his medical studies as a student of the University of Sydney Graduate Medical Program completing MBBS with Honours in 2011.



Dental details still unclear

Main points

- \$1.7 billion for new Child and Adult Public Dental Scheme
- Payments to be made directly to States and Territories
- Savings of \$17 million over the forward estimates

Health experts say the details of the new \$1.7 billion Child and Adult Public Dental Scheme remain sketchy, even after Treasurer Scott Morrison handed down the Federal Budget on 3 May.

Details of the scheme were leaked a fortnight before the Budget, sparking criticism from dentists and the opposition that it amounted to a \$1 billion funding cut.

At the time of the announcement, Health Minister Sussan Ley's office said the States would get a 40 per cent increase in funding under the changes.

The Budget papers said payments would be made directly to States and Territories to improve patient waiting times and help more concession card holders.

But Professor Stephen Duckett, Director of the Grattan Institute's health program, said it was still not clear how the scheme would work.

"The details are still not clear but it appears States will be asked to contribute to funding this policy," Professor Duckett said.

"The Commonwealth funding comes from chopping the Child Dental Benefits Scheme so in fact this is a savings initiative over the forward estimates to the tune of \$17 million."

The Government said it was abolishing the former Labor government's Child Dental Benefits Scheme because it was a failure, treating less than one-third of eligible children and with \$4 million of incorrect claims being investigated.

But the Australian Dental Association (ADA) described the new scheme as "smoke and mirrors" that effectively reduced funding from \$615 million a year to \$425 million.



"Supposedly the new Plan will see a reduction in Commonwealth funding which will magically make dental services available to more Australians by enabling them to access the public sector for care," ADA President Rick Olive said.

"This is fanciful. The State and Territory public sector dental services are already over extended with waiting lists of between nine months to three years depending which state you consider. What is happening is the Government is promising delivery but it is doing it in such a way that the services will not, in fact, be accessible. It's smoke and mirrors."

Shadow Health Minister Catherine King said scrapping the Child Dental Benefits Scheme would deny millions of Australian children, many of whom had never before been able to afford dental treatment, access to ongoing affordable dental care

MARIA HAWTHORNE



Flexible Funds cut for third year running

Main points

- 11 outcomes to be “streamlined” to six
- Indexation freeze to continue and 3 per cent cut to some funds
- \$182 million to be saved

Frontline health services funded under the Department of Health’s Flexible Funds face a \$182.2 million cut in a reshaping of the program announced in the Budget.

It is the third year in a row that the Coalition Government has cut funding to the program, which delivers a range of health and community services in health priority areas including chronic disease prevention, substance misuse prevention, rural health outreach, and Aboriginal and Torres Strait Islander chronic disease.

From 1 July, 11 Flexible Funds outcomes will be streamlined into six. The indexation pause will continue on all funds, and some will

face a 3 per cent cut.

It is not yet clear which funds will be cut, but media reports suggest programs targeting Indigenous health, the drug ice, and medical indemnity support will be quarantined.

The Department of Health said all existing contracts would be honoured.

“The Government remains committed to achieving responsible savings for the taxpayer, while balancing the need for ongoing quality health services for all Australians,” it said.

“This measure achieves responsible savings, and will enable more efficient targeting of health funding, with minimal impact on frontline delivery. The saving has been applied incrementally between years.

“The new outcome and program structure for health will provide greater transparency and a simpler and more streamlined way for providers to be funded, and for the Government to track progress and effectiveness of services.”

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MARIA HAWTHORNE

INFORMATION FOR MEMBERS

Ukraine calling

A children’s hospital in Ukraine is looking for Australian medical staff for academic and technical exchanges.

The Okhmatdyt National Specialised Paediatrics Hospital in Kiev recently received direct aid funding from the Australian Embassy to buy equipment for its Advanced Radiological Centre to improve the quality of diagnostics for children.

The hospital is now hoping to expand its connection with Australia through exchanges with medical staff who specialise

in paediatric leukaemia, haematology and oncology.

Anyone interested in this opportunity can contact Mr Volodymyr Pliatsek at v.pliatsek@gmail.com. Mr Pliatsek works in the hospital’s administration team and speaks English.

More information about the hospital is available at <http://ohmatdyt.com.ua>. Information about the Embassy’s direct aid funding projects can be found at <http://ukraine.embassy.gov.au>.



Budget briefs

Uni fee deregulation dropped

The Federal Government has withdrawn its controversial plan to deregulate university fees as it clears the decks for the forthcoming Federal election.

In a move welcomed by students who had feared deregulation would push the cost of high-demand courses out of reach for many, the Government has scrapped the policy, but it has retained a 20 per cent cut to course funding, keeping universities under significant financial pressure.

Cancer screening

Patients will soon have a single cancer screening record under a \$29.9 million initiative to combine nine separate cancer registers single National Cancer Screening Register.

Under the measure, which also includes a new cervical cancer screening test and an expanded bowel cancer screening program, patients and health professionals will be able to track test status through a single national register.

The register will open on 1 May next year, and will include links to digital services including My Health Record and MyGov.

FASD

The Federal Government has committed \$10.5 million to establish a national network of paediatricians working with children affected by Foetal Alcohol Spectrum Disorders as part of efforts to treat and prevent the serious condition, caused by women drinking during pregnancy.

The money will also be used to support the roll-out of programs, based on the Fitzroy Crossing Marulu Liliwan Project, to support communities battling high rates of FASD.

Antibiotic overuse

Efforts to track the overuse of antibiotics have been given a \$9.4 million boost.

The Government plans to develop a national website which will collect surveillance data on the use of antibiotics currently being gathered by several different organisations.

The Health Department said Australia's use of antibiotics in general practice was 20 per cent above the OECD average, and bring prescribing rates down was critical to slowing the development of antimicrobial resistance.

A healthy diet

The Federal Government will spend \$5.3 million over the next three years promoting the Health Star Rating system used to help consumers choose healthier products.

The system, which began in controversial circumstances after a senior Government staffer ordered its website taken down before being forced to resign, has been designed to give shoppers a quick and easy guide to the nutritional value of packaged food products.

Participation in the scheme is voluntary.

Disease surveillance

The Federal Government has moved \$2.6 million from its Contingency Reserve to ensure the continuation of a joint Commonwealth-State program to monitor outbreaks of notifiable diseases such as whooping cough, meningococcal, diphtheria and polio.

The surveillance system reports more than 40,000 cases of vaccine-preventable diseases each year, and the information is used to inform national immunisation policy.

ADRIAN ROLLINS



AMA in the news

YOUR AMA HAS BEEN ACTIVE ON POLICY AND IN THE MEDIA ON A RANGE OF ISSUES CRUCIAL TO MAKING OUR HEALTH SYSTEM BETTER. BELOW IS A SNAPSHOT OF RECENT MEDIA COVERAGE.

PRINT/ONLINE

Professor Brian Owler, *Northern Territory News*, 12 April 2016

Professor Owler called for military personnel to undergo annual mental health checks to help tackle rates of depression, post-traumatic stress disorder and suicidal thoughts in the Australian Defence Force.

Professor Brian Owler, *Canberra Times*, 24 April 2016

Professor Owler publicly criticised the federal government proposal of \$650.4 million of savings over the next four years, from reducing or removing bulk-billing incentive payments for certain pathology and imaging tests. Professor Owler labelled it “a co-payment by stealth” which would hit the sickest and poorest patients hardest.

Dr Brian Morton, *Sunday Age*, 24 April 2016

Dr Morton discussed the importance of immunisation during World Immunisation Week. Dr Morton said boosting the community’s level of resistance was vital to preventing the rapid transmission of diseases.

Dr Stephen Parnis, *Sydney Morning Herald*, 30 April 2016

Dr Parnis said “questions must be answered” over the man’s medical treatment, after an Iranian refugee at Nauru died after setting himself alight in despair at life on the Pacific island”. Dr Parnis explained that a patient in Australia suffering similar injuries would usually be treated in a specialist burns unit “within hours” and that people under the care of the Australian government are entitled to the sorts of standards of care that we would expect in Australia.

Professor Brian Owler, *Hobart Mercury*, 4 May 2016

The Budget has extended by two years to 2020 an indexation freeze on the Medicare rebate it pays for services such as GP visits, saving almost \$1 billion. Professor Owler was highly critical of the decision to extend freeze on Medicare rebates until 2020. “It means \$925 million out of the pockets of everyday Australians,” he said.

RADIO

Professor Brian Owler, 3AW, 10 April 2016

Professor Owler explained that parents know the best interest of the child but are sometimes misguided after an Australian mother was forced to allow doctors to treat her child. He says in instances wherein a child’s life is in danger, the parents wishes will not prevail and doctors may sometimes intervene.

Professor Brian Owler, ABC Upper Hunter, 12 April 2016

Professor Owler discussed the AMA’s 2016 Rural Health Issues Survey, a survey asking members and non-members about the issues affecting their patients, practices and communities to help improve policy at the upcoming federal election.

Dr Stephen Parnis, 2GB, 12 April 2016

Dr Parnis talked about the need for sick people to stay away from work saying Australians are more likely than not to go to work despite their poor health and the impact of going to work on their colleagues.

Professor Brian Owler, 2GB, Sydney, 4 May 2016

Professor Owler said the AMA fears it will cost people more to see a doctor as a result of the Federal Budget with Medicare rebates frozen for another two years which could force doctors to introduce co-payments.





AMA in the news

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TELEVISION

Professor Brian Owler, ABC24, 25 April 2016

Australian doctors claimed medical services in off-shore detention centres are being dangerously compromised following the death of a 24yo asylum seeker Hamid Khazaei in Manus Island. Khazaei's evacuation from Nauru was allegedly delayed for almost 30 hours.

Professor Brian Owler, A-PAC Sydney, 27 April 2016

Professor Owler appeared before a Senate committee via telephone to explain the AMA's view on public hospital funding

and the results of the recent COAG Meeting. Professor Owler said the AMA was hoping there would be a more significant amount of money dedicated towards public hospital funding because the AMA analysis of the public hospital system shows it is under enormous pressure in dealing with an incredible amount of patient demand.

Professor Brian Owler, Channel 7, 4 May 2016

There has been a mixed reaction to the Federal Budget. The Budget could make or break the government ahead of the federal election in July. Professor Brian Owler, President, Australian Medical Association called it bad news.

ADRIAN ROLLINS

INFORMATION FOR MEMBERS

FEDERAL AMA FUTURE LEADERS PROGRAM CALL FOR APPLICATIONS

One of the roles of the AMA is to develop the future leaders of the medical profession. In keeping with this, Federal AMA is launching a program for future leaders in which the successful applicants will spend a weekend in Canberra learning about the intricacies of the Federal political process, the development of AMA policy, working with media and political decision-makers.

The program will be held on 6 and 7 August at AMA House in Canberra. Federal AMA will fund travel and accommodation for 12 attendees.

Eligibility

To be eligible you must be a financial member of the AMA and have taken on a leadership position within the past five years in a State AMA or the Federal AMA. This might include membership of an AMA committee or working group, an AMA

board or council. Applicants with a strong interest in the development of medico-political health policy and advocacy within the AMA are encouraged to apply.

Selection

Selection will be by competitive application against the criteria in the application. The decision will be made by the Policy Executive of Federal Council after a shortlisting process undertaken within the secretariat.

Application

An application can be downloaded at https://ama.com.au/sites/default/files/AMA_Future_Leaders_Program.docx. All applications must be submitted to AMA secretary General, Anne Trimmer, via Lauren McDougall (lmcdougall@ama.com.au) no later than 31 May 2016. A decision will be made by 30 June 2016.