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In this issue

AMA wants to recruit pharmacists to primary health team

Patients would suffer fewer adverse reactions to medicine and be almost $50 million better off while governments would save more than $500 million under an AMA plan to integrate pharmacists into general practice.

In a major pitch to improve patient care, reduce unnecessary hospitalisations, and boost cost-effective GP-led primary care, the AMA has developed a proposal to employ non-dispensing pharmacists in medical practices.

It is estimated that a quarter of a million hospital admissions each year are related to the use of prescription drugs, costing the country $1.2 billion, while around a third of patients fail to comply with directions for taking their medicines, undermining their health, causing adverse reactions and wasting taxpayer dollars.

AMA President Associate Professor Brian Owler said that integrating non-dispensing pharmacists within general practices as part of a GP-led multidisciplinary health team could go a long way to addressing these problems, improving patient health and cutting costs.

“Under this program, pharmacists within general practice would assist with things such as medication management, providing patient education on their medications, and supporting GP prescribing with advice on medication interactions and newly available medications,” A/Professor Owler said. “Evidence shows that the AMA plan would reduce fragmentation of patient care, improve prescribing and use of medicines, reduce hospital admissions from adverse drug events, and deliver better health outcomes for patients.”

The proposal, developed in consultation with the Pharmaceutical Society of Australia, could prove a game-changer in fostering closer collaboration between GPs and pharmacists.

It has come amid a concerted push by some in the pharmaceutical sector to encroach upon areas of medical practice in an effort to offset declining revenues from dispensing medicines, including authorising pharmacists to administer vaccines and conduct health checks.

The AMA has warned governments that allowing pharmacists to practise outside their field of expertise could put patients at risk, undermine continuity of care and increase health costs.

The AMA stressed that under its new proposal, pharmacists working within general practices would not dispense or prescribe drugs, nor issue repeat prescriptions, and would instead focus solely on medication management, including advising GPs on prescribing, drug interaction and new medicines, reviewing patient medications and monitoring compliance, improving

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AMA wants to recruit pharmacists to primary health team

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coordination of care for patients being discharged from hospital with complex medication regimes, and ensuring the safe use and handling of drugs.

The proposal calls for medical practices to be awarded Pharmacist in General Practice Incentive Program (PGPIP) payments similar to those provided to support the employment of practice nurses.

The AMA has proposed that practices receive an incentive payment of $25,000 a year for each pharmacist employed for at least 12 hours 40 minutes a week, capped at no more than five pharmacists, meaning practices can receive no more than $125,000 a year – except those in rural and remote areas, which would be eligible for a loading of up to 50 per cent.

An independent analysis of the proposal commissioned by the AMA and conducted by consultancy Deloitte Access Economics estimated that if 3100 general practices joined the PGPIP program it would cost the Federal Government $969.5 million over four years.

The consultancy said that the average annual pharmacist salary was $67,000 plus on-costs, meaning only clinics treating 3000 or more standardised whole patient equivalents (an age-weighted measure based on GP and other non-referred consultation items in the MBS) would be likely to participate.

But the Deloitte report said the outlay would be more than offset by substantial savings in other areas of the health system, calculating that for every $1 invested in the PGPIP, taxpayers would save $1.56 in other areas of the health system.

In particular, Deloitte estimated that, as a result of the program:

- a drop in the number of patients hospitalised because of adverse reactions to medications would save $1.266 billion;
- fewer prescriptions subsidised through the PBS because of better use of medicines would save $180.6 million;
- patients would save $49.8 million because of fewer prescriptions and the attached co-payments; and
- Medicare would save $18.1 million because fewer patients would see their GP as a result of an adverse reaction to their medicine.

In all, Deloitte said the initiative would deliver a net saving of $544.8 million over four years for the health system, and the benefit-cost ratio improves with each year the scheme is in operation.

"The policy will likely to lead to improved compliance and persistence with medication regimens, which will result in improved health outcomes for patients," the Deloitte report said. "This will result in significant avoided financial and economic costs for both the patient and the health system, as well as avoided broader economic costs such as lost productivity that arise when a health condition is treated and managed sub-optimally."

ADRIAN ROLLINS

INFORMATION FOR MEMBERS

Mental health survey for GPs

General practitioners are being invited to take part in a brief survey to identify current practices when working with families where a parent has a mental illness.

GPs are often the first point of call for a person seeking help for a mental health problem, and it has been estimated that more than 12 per cent of all GP visits in a year are mental health-related.

The Children of Parents with a Mental Illness (COPMI) national initiative – funded by the Federal Government to benefit children and families where a parent experience mental illness – is collating information on the process a GP follows when a parent with a mental illness seeks help.

Participating GPs are asked to fill out an anonymous and confidential questionnaire which takes about 20 minutes to complete.

It can be found at: http://monasheducation.az1.qualtrics.com/SE/?SID=SV_29uecngqheOp3Xn

Once completed, GPs will also be invited to take part in a 30 minute telephone interview. If you are involved in the interviews you will receive a $75 Coles/Myer gift voucher for your time.

If you want any further information about the study, please contact Dr Caroline Williamson at COPMI – williamsonc@copmi.net.au

'Captain's call' medical school won't fix doctor shortage

Western Australia's medical workforce is growing faster than almost any other in the country, underlining concerns that the resources-rich state's medical training pipeline is already running at capacity even before the establishment of a controversial new medical school at Curtin University.

Data compiled by the Australian Institute of Health and Welfare show that although WA has fewer doctors per capita than any other State or Territory, its medical workforce expanded by more than 60 per cent in the nine years to 2013, with only Queensland growing at a faster rate.

But WA medical graduates are being forced to move interstate to get the training the need to become fully-qualified doctors

The figures add to warnings by the AMA, the Australian Medical Students Association, the Western Australian Medical Students' Society and other medical groups that the Federal Government's decision to help fund a new medical school at Curtin University is poor health policy.

"The problem with a new medical school is that we already have far too many medical students in the system," AMA President Associate Professor said. "This year we have over 3600 applications for internship positions; there are only 3300 positions available."

Prime Minister Tony Abbott said the Commonwealth was backing the Curtin medical school as a way to help boost the number of doctors working in WA, and is part of a massive expansion of undergraduate medical education in the past decade.

Across the country, there has been a huge 150 per cent surge in medical school places since 2004 - there are currently 3736 students enrolled – but A/Professor Owler said this had not been matched by a commensurate increase in the prevocational and vocational training places medical graduates need in order to become fully-qualified doctors.

The AMA President said that in Western Australia alone there was a shortfall of 84 training places for GPs, and a report by the now-disbanded Health Workforce Australia warned that, on current trends, the increasing mismatch between growth in the number of graduates and training places would result in a shortfall of 1011 places by 2030.

A/Professor Owler said that opening yet another medical school was not the solution.

"The issue is not the number of medical students; it is the training bottleneck," he said. "We have a shortfall of training positions for those medical graduates that we are training now. Adding another medical school doesn't make any sense without putting the resources in to make sure that we have the training positions available."

A/Professor Owler this was particularly problematic because most post-graduate medical training was provided in public hospitals, whose Commonwealth funding was to be slashed by $57 billion in the next 10 year.

"How are these people going to be trained in our public hospital system when we are actually taking billions of dollars out of the system?" he asked.

Mr Abbott tried to reassure A/Professor Owler and the AMA, saying he had been given a guarantee by the West Australian Government that it would provide extra training places.

"I always that the AMA seriously. I have a great deal of respect for the AMA," the Prime Minister said. "They're absolutely right to be concerned about the consequent clinical training places, and what we've done is work with the West Australian Government to get a guarantee...that the clinical training places will be provided."

Mr Abbott paid tribute to WA Premier Colin Barnett and lobbying by WA Liberal MPs including Ken Wyatt and Christian Porter in convincing the Commonwealth to commit up to $20 million a year to operate the 110-place school, which will be built with $22 million from the State Government and around $60 million from Curtin University.

But A/Professor Owler said the decision showed that politics had won out over good policy: "Satisfying a political requirement by investing in the whims of the local politicians doesn't satisfy good health policy".

"It's a calamitous captain's call by Captain Chaos. That's the only way to describe it, because it's going to cause chaos with the medical training of students," the AMA President said. "Politics has taken precedence over good policy."

His comments earned a rebuke from Treasurer Joe Hockey, who told the ABC's *Insiders* program that the President's language was "extreme, and certainly not fitting for someone representing a great profession. Quite frankly, I think his comments were out of order."

But A/Professor Owler said he made no apology for using "colourful" language to describe the situation, particularly given that the health system was "still coping with the sort of policies that we announced in last year's Budget. How are you going to train these people when Joe Hockey is taking $57 billion out of

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'Captain's call' medical school won't fix doctor shortage

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the funding system?" he told *The Australian*.

"Our job is to make sure we get the best health policy," he said. "And when the Government does something that is bad for the Australian health care system, our job is to point that out."

In addition to a bottleneck in the training pipeline, there is a maldistribution in the medical workforce, with doctors much more scarce in rural and remote areas.

Both the AMA and AMSA said that, rather than building yet another medical school, the Government should be investing scarce health funds into medical training – a point made by Health Workforce Australia in its *Australia's Future Health Workforce* report released last year.

In the report it warned that unless there was a change in policy, the country would swing from a small oversupply of doctors in 2017 to a situation of under-supply, with a shortage of 2500 practitioners by 2025 and a shortfall of 5000 by 2030.

Instead of pumping out more medical graduates, the agency recommended the Government hold the medical school intake steady this year while devising long-term training plans.

Because of the long time it takes to train a doctor (at least 10 years), "adjusting medical student numbers is not an effective means to deal with short-term imbalances between supply and demand".

Instead, it said, governments should use temporary migration to address immediate service gaps – in WA, which grew rapidly during the mining boom, more than a third of doctors are trained overseas – while devising and executing a clear, long-term plan to train the doctors needed to satisfy future demand.

A/Professor Owler called on the Government to reconsider its decision and "put the focus back on the training pipeline if they are serious about having the GPs and specialists that not only Western Australia needs, but the rest of the country needs as well".

ADRIAN ROLLINS

Briefs

Medical Research Future Fund on the way

More than a year after it was first announced, the Federal Government has finally introduced legislation to establish the Medical Research Future Fund.

The Fund, which the Government expects to grow to $20 billion by the end of the decade, has been under a cloud because several of the savings measures originally intended to finance it – particularly the GP co-payment – have been dumped or not yet passed.

But AMA President Associate Professor Brian Owler recently challenged the Government to stop dithering on the issue and set the Fund up, pointing out that a large swag of the measures designated to finance it were in place.

In introducing the enabling legislation, Treasurer Joe Hockey said the Fund would receive an initial endowment of $1 billion from the Health and Hospitals Fund and would build to reach $20 billion in 2019-20.

Mr Hockey said the first $10 million from the Fund would be distributed next financial year, and estimated that $400 million would be disbursed in the next four years.

The Fund will be managed by the Future Fund Board of Guardians, while a separate board will be established to provide expert advice on medical research priorities and strategy.

ADRIAN ROLLINS

Mersey Hospital two-year funding deal

Funding for Tasmania's Mersey Community Hospital has been extended for two years following an in-principle agreement struck between the Commonwealth and Tasmanian governments.

Health Minister Sussan Ley said the Federal Government would pay its State counterpart $148.5 million to continue to manage and operate the hospital over the next two years.

The Mersey Hospital became the first and only public hospital to be directly funded by the Commonwealth when the Howard Government controversially assumed responsibility for the institution after the Tasmanian Government wanted to downgrade it to a day procedure centre, with only a limited overnight emergency capacity.

The intervention, which occurred just weeks before the 2007 Federal election that the Howard Government lost, was unprecedented at the time, and has not been repeated since.

Ms Ley said the deal provided certainty for the hospital while the Tasmanian Government undertakes reforms of the State health system.

ADRIAN ROLLINS

Govt wants kids to have cut-price health checks

The Federal Government wants children to have cut-price health checks after confirming it would rip almost $145 million out of general practice by abolishing a Medicare program that last year provided comprehensive pre-school health assessments for 154,000 children.

But Health Minister Sussan Ley said parents would still be able to get their GP to conduct a similar Medicare-funded health check of their child, though at a fraction of the cost to the taxpayer.

> "AMA President Associate Professor Brian Owler voiced concern about the cut, saying it was "very unclear" whether or not there was duplication occurring"

The Minister was forced to make the clarification after an announcement in the Federal Budget that $144.6 million would be taken out of general practice over the next four years by "removing the current duplication" Medicare-funded health checks and child health assessments provided by the states and territories.

AMA President Associate Professor Brian Owler voiced concern about the cut, saying it was "very unclear" whether or not there was duplication occurring.

The measure was also heavily criticised by health groups angered by what appeared to be a decision to axe comprehensive health checks for children aged three to five years, introduced by the former Labor Government in 2008.

But Ms Ley rushed to assure parents that they could still get Medicare-funded health checks for their children.

"Parents needing to access the pre-school health check for their child in order to access income support will still be able to do so through a GP or the various state-based nurse infant and children checks, as is currently the case," the Minister said. "The only change in the Budget is to the Medicare items GPs can bill taxpayers and patients for undertaking the check."

The Government has moved to scrap Labor's "Healthy Kids Check", which costs Medicare $268.80 per visit, and instead allow GPs to bill for the check as a standard GP item costing $105.55 for an equivalent amount of time.

"Instead of GPs billing a special Medicare item worth hundreds of dollars per visit, they will instead be able to deliver the pre-school health check for three- and four-year-olds through a standard GP item worth about half that," Ms Ley said.

The Government said an increase in the number of people using the Healthy Kids Check in recent years had sent the cost spiralling.

It reported that the number of assessments had jumped from 40,031 in 2008-09 to 153,725 last financial year, driving the annual cost from $1.8 million to $20 million.

While lamenting the cost of the program, Ms Ley simultaneously criticised it for not being comprehensive enough.

"Currently, only half of Australia's 300,000-plus four-year-olds have accessed a pre-school health check at the more expensive billing rates," the Minister said, adding there was no evidence show Labor's program provided health checks superior to standard GP and state infant check services.

But a study published in the *Medical Journal of Australia* last year did not support this conclusion.

It found the program was effective in detecting problems with speech, toileting, hearing, vision and behaviour in about 20 per cent of children, and directly led to changes in the clinical management of between 3 and 11 per cent of such children.

The study's authors said their results suggested "GPs are identifying important child health concerns during the Healthy Kids Checks, using appropriate clinical judgement for the management of some conditions, and referring when concerned".

They added that GPs were also using the checks as an opportunity to identify other health problems.

The authors admitted to having no knowledge of the cost-effectiveness of the program, "although, given that its timing coincides with vaccination at four years of age, the incremental cost is likely small".

It followed a study published in the *MJA* in 2010 which found that although the evidence behind the Healthy Kids Check at that stage was "not compelling", it had the potential to play a important role in monitoring child development by filling a gap between maternal and child health nurse screening and examinations of selected children by school nursing services.

ADRIAN ROLLINS

Incentives hold out promise of better after hours care

The Federal Government has promised patients will find it simpler and easier to see a GP at night or on weekends following the reinstatement of incentives for medical practices to provide after hours services.

In a move strongly supported by the AMA, Health Minister Sussan Ley has announced that almost $99 million will be provided next financial year to pay practices that operate extended hours or make arrangements for their patients to receive after hours care.

Ms Ley said access to after hours GP care was an issue that was raised consistently during her consultations with the medical profession and the community since becoming Minister, and the incentive would give "positive support" to practices that ensured their patients had access to after hours care.

The reinstatement of the incentive was a key recommendation of the review of after hours primary health services led by Professor Claire Jackson, and followed widespread dissatisfaction with the arrangement under the previous Labor Government to give Medicare Locals responsibility for co-ordinating and funding after hours services.

AMA President Associate Professor Brian Owler applauded the Minister for moving so swiftly to reinstate the Practice Incentives Program After Hours Incentive.

A/Professor Owler said the AMA had been calling for the return of the PIP funding "for some time" because of the benefit it would provide to both patients and practices.

"The new PIP payment structure will encourage and support general practices to provide after hours coverage for their patients, which will in turn ensure continuity of care," the AMA President said. "Individual practices will now have greater control over after hours services for their patients, [and] patients will benefit."

To pay for the reinstatement of the PIP incentive, the Government has scrapped the After Hours GP Helpline and redirected funds freed up by the abandonment of the Medicare Locals network.

Though some complained that the Helpline has provided a vital service, the Jackson review found there was little evidence it had reduced the pressure on rural doctors to attend after hours call-outs or improved continuity of care. It recommended that the service be scrapped and the funds instead directed into GP incentives.

While details of eligibility requirements for the incentives are yet to be released, the scheme –which commences on 1 July - will offer five payment levels depending on the degree of service provided.

They range from the very basic, level 1 service involving "formal" arrangements for patients to seek after hours care at another provider, through to a full service model where a practice has staff rostered on around the clock, seven days a week.

The incentive would rise from $1 for each Standardised Whole Patient Equivalent (an age-weighted measure based on GP and other non-referred consultation items in the MBS) at a level 1 practice, rising to $11 per SWPE at the top end.

The Minister said all practices would be required to inform patients of their after hours arrangements, and to ensure that correct details were provided in the National Health Service Directory.

"Under these new arrangements, patients will be able to easily find out what after-hours services are available, including services provided by arrangement outside of the patient's usual general practice," Ms Ley said.

The reintroduction of the after hours PIP has coincided with the Federal Government's move to scrap Medicare Locals and replace them with larger Primary Health Networks.

Importantly, the Government has specified a different role for PHNs regarding the provision of after hours services than that fulfilled by the Medicare Locals.

Under the new arrangement, PHNs will be required to work with "key local stakeholders" to plan, co-ordinate and support after hours health services, with a particular focus on "addressing gaps in after hours service provision, 'at risk' populations and improved service integration".

A/Professor Owler said the change in focus and function was welcome.

"The Government has listened and responded to AMA concerns about giving responsibility for after hours funding to Medicare Locals, which has proven to largely be a failure and simply increased red tape for practices," the AMA President said. "While the new Primary Health Networks will still have a role to play in ensuring community access to after hours health services, their focus will be on gaps in service delivery."

ADRIAN ROLLINS

$19 billion pharmacy deal sign of skewed health priorities

The AMA has accused the Federal Government of skewed health priorities after it announced it would pay pharmacists an extra $600 million to provide an unspecified range of patient services as part of a push to increase their role in the provision of primary health care.

Health Minister Sussan Ley has announced pharmacists will receive $1.2 billion for programs and services as part of an $18.9 billion five-year Community Pharmacy Agreement struck with the Pharmacy Guild of Australia.

> As part of the deal, the Government will pay pharmacists a set fee for dispensing medicines instead the current arrangement under which their fee is a percentage of price

The deal – which delivers the sector an annual 4.54 per cent pay rise – could mark a major advance for the nation's pharmacists in their campaign for an expanded scope of practice, including the delivery of flu vaccinations and the conduct of patient health checks.

Ms Ley said the deal was "recognition of the increasingly important role pharmacists play in a patient's 'medical team' of health professionals, and further demonstrates the Abbott Government's commitment to delivering greater integration between health services in Australia's primary care system".

But AMA Vice President Dr Stephen Parnis said the Government's decision to award the pharmacy sector a $3 billion pay rise at the same time as imposing a four-year freeze on funding for medical services showed its priorities were "all wrong".

"Patients have been hit with a Medicare rebate freeze until 2018. Public hospital funding to the states has been cut dramatically. More health programs and services suffered funding cuts in [the] week's Budget. But the pharmacy sector gets a huge funding boost with no questions asked," Dr Parnis said. "The Government has its health priorities all wrong."

As part of the deal, the Government will pay pharmacists a set fee for dispensing medicines instead the current arrangement under which their fee is a percentage of price. Ms Ley claimed the change would ensure no increase in the average dispensing cost, saving $1.5 billion.

The sector has also reluctantly accepted the introduction of a discount of up to $1 on the PBS patient co-payment, which the Government said would make medicines cheaper. The change would also slow the rate at which patients reach the PBS safety net threshold, cutting costs for the Commonwealth.

The Pharmacy Guild made it clear it was unhappy with the proposed $1 co-payment discount. President George Tambassis said it supported the savings the Government was seeking to achieve through the agreement, "with the exception of the discounting of the PBS co-payment measure, which is a matter for government".

The Pharmaceutical Society of Australia said it was concerned about the "health impact" of the discount.

But Ms Ley said it discount would give pharmacists flexibility to compete on price and quality while saving taxpayers up to $360 million.

In a warning to the sector, the Minister said the measure was also part of a drive to encourage greater competition in the sector.

Current regulations stifle competition by limiting pharmacy ownership to registered pharmacists and banning outlets from opening within 1.5 kilometres of each other.

A Government-commissioned competition review recommended scrapping these restrictions, and the new Community Pharmacy Agreement includes what Ms Ley said was the "most significant independent and public review of the pharmacy sector ever conducted over the next two years, including consideration of both remuneration and regulation, such as location rules".

But, in what appears to be a big victory for the Pharmacy Guild, the Government will not move to change the pharmacy location rules until at least mid-2020, whatever the outcome of the review.

The push for an overhaul of these arrangements was given extra impetus earlier this year when the Commonwealth Auditor-General issued a scathing report on the administration of the current Community Pharmacy Agreement, including savings shortfalls, a $300 million blow-out in pharmacist incentive payments, and the diversion of almost $6 million from professional development programs into a "communications strategy".

Dr Parnis has raised concerns about the allocation, under the new Agreement, of $1.2 billion to fund what the Government said would be "support programs for patients".

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$19 billion pharmacy deal sign of skewed health priorities

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"This is a lot of money for programs that are yet to be devised. We have seen past proposals and worry about fragmentation of patient care because these pharmacy 'services' may not add any value to patient outcomes," he said.

Mr Tambassis said the funding would include $50 million for a Pharmacy Trial Program and $600 million in a contingency reserve to support new and existing community pharmacy programs and services.

And Ms Ley tried to reassure that the money would be used carefully, insisting that all pharmacy programs would be subject to scrutiny and approval by the Medical Services Advisory Committee.

But Dr Parnis said the current concerted push by pharmacists into new and expanded areas of practice, including vaccinations, skin and health checks, mental health assessments and wound dressing was of great concern.

"The Health Minister said that the Government wants pharmacists to play a greater role in the patient's 'medical team' - but pharmacists are pharmacists, not doctors," he said. "Pharmacists have real expertise. I consult and work with pharmacists every day I'm in my hospital, and that works extremely well.

"I'm just not sure that - the proposals being put forward in this agreement make sense, particularly when they talk about allocating $1.2 billion for this and then we'll work out the details later.

"Pharmacists are not medically trained to provide medical services, nor are they indemnified to do so. The best primary care is provided by the local family doctor, the GP – the most cost-efficient part of the health system," he said.

ADRIAN ROLLINS

Medibank abandons controversial GP trial

Giant insurer Medibank Private has abandoned a controversial scheme for preferential access to GPs for its members, but is pushing ahead with a pilot program for closer collaboration with doctors in the care of patients with chronic disease.

In a discreet announcement six months after its public float, the nation's largest health fund revealed on 22 May that it had "redefined its involvement in primary care", and would scrap the trial of its GP Access program on 31 July.

Under the program, trialled at 26 GP clinics in Queensland for the past 18 months, Medibank members were guaranteed same-day appointments and after hours GP home visits.

It was heavily criticised by the AMA and other health groups who said it undermined the universality of care and the principle that patients should be treated on the basis of need rather than income or affiliation.

Announcing the decision, the insurer's Executive General Manager, Provider Networks and Integrated Care, Dr Andrew Wilson, said that although the 13,000 members who had used the service were pleased with it, "they did not feel it added additional value to their private health insurance".

Dr Wilson said the fierce reaction of the AMA and other groups had also weighed on the decision to scrap the program.

"Disappointingly, it was clear from the feedback that this pilot was perceived as a first step towards the creation of a two-tier or exclusive health system," he said. "Medibank is a strong supporter of universal health care, and we would certainly hate people to think that we were trying to do anything like this."

Instead, the insurer is turning its focus to a scheme for closer collaboration with GPs in caring for members with chronic and complex conditions.

Last September it launched a pilot of its CareFirst chronic disease management scheme at six clinics in south-east Queensland, under which GPs receive payments to enrol patients with chronic health problems including heart failure, COPD, osteoarthritis and diabetes into a program that includes a care plan, health coaching and online education. Doctors are awarded incentives for improvements in patient health.

Medibank said that so far more than 200 patients had been enrolled, and early results were promising.

"Stakeholders also told us that GPs feel stretched and unable to provide the longitudinal care they'd like to be able to provide their patients battling chronic illnesses and complex health issues," Dr Wilson said. "Through both our CareFirst and Care Point pilots we are now working closely with GPs so they can do more for their patients, particularly in tackling chronic disease and keeping people out of hospital."

ADRIAN ROLLINS

5000 doctors caught out by rural incentive change

Around 5000 GPs working in major regional cities will lose thousands of dollars in Commonwealth payments while doctors serving in remote and isolated communities will get increased incentives under changes to a program intended to attract doctors to work in rural communities.

Assistant Health Minister Fiona Nash has announced that incentives for doctors to live and work in 450 small towns across the country will be raised under changes to the GP Rural Incentives Program (GPRIP).

But an estimated 5000 doctors working in regional centres with a population of more than 50,000 will lose their incentive payments under the changes, which come into effect from 1 July.

The change is being implemented as the AMA lobbies the Federal Government to establish a training program to give junior doctors experience in a rural general practice.

The AMA has urged the Commonwealth to adopt the recommendation of the Independent Expert Panel – which it established to advise on the redesign of the GPRIP – for the introduction of "a program that provides a high quality community medicine and general practice training in rural and remote areas through extended placements for junior doctors".

The recommendation follows the Government's decision last year to scrap the Prevocational General Practice Placements Program, which left general practice as the only major specialty without a program for prevocational training experience – something AMA President Associate Professor Brian Owler said was vital to sustaining and building the GP workforce.

"This sort of experience can influence junior doctors to pursue a career in general practice, and it can also give doctors who choose other specialties a valuable insight into how general practice works," A/Professor Owler said. "A carefully targeted prevocational GP training program can also help boost rural and remote workforce numbers".

The GPRIP has been overhauled following the Government's decision late last year to dump the discredited Australian Standard Geographical Classification – Remoteness Area (ASGC-RA) classification system and instead use the Modified Monash Model (MMM) to guide the allocation of resources.

While doctors in large regional centres will lose incentives payments under the revamped incentives system, Senator Nash said the new arrangements were much better aligned with community need.

The Minister said under the current system, around $50 million was being paid out each year to doctors working in 14 large

regional centres, including Townsville and Cairns.

The scheme created incentives for doctors to remain in well-serviced cities which had little trouble attracting doctors, she said.

"The new GPRIP system will deliver a fairer system for smaller towns; redirecting money to attract more doctors to smaller towns that have genuine difficulty attracting and retaining doctors," Senator Nash said. "It makes more sense to use that money to attract doctors to where the greatest shortages are - small rural and remote communities, not big regional cities. This means bigger incentive payments will go to doctors who choose to work in the areas of greatest need."

Under the changes, the annual incentive for doctors working in towns with fewer than 5000 residents will increase from $12,000 to up to $23,000, and the incentive for practitioners working in remote areas will be increased from $47,000 to as much as $60,000.

But the qualifying time to receive the incentive has been increased from six months to two years for doctors in rural and regional areas, while doctors in remote locations will have to wait 12 months.

The AMA was among several health groups that welcomed the move to dump the ASGC-RA classification system and replace it with the Modified Monash Model, but had urged the Government to include transition arrangements for any changes to incentive payments.

The Association said it would assess the impact of the Government's decision to cut incentive payments to GPs in large regional centres from the beginning of next month.

Govt promises cheaper, better medicines sooner

The Federal Government claims patients will get vital medicines more cheaply and much quicker following changes to the way pharmaceuticals are supplied under deals with industry it claims will save taxpayers $6.6 billion over the next five years.

Health Minister Sussan Ley said patients could save more than $100 a year under agreements the Commonwealth has struck with the pharmaceutical industry, while efforts to accelerate the listing of new medicines on the Pharmaceutical Benefits Scheme were beginning to pay off.

Ms Ley has signed a five-year deal with the Generic Medicines Industry Association to slash the cost of generic pharmaceuticals, including halving the price of common medicines for cholesterol, heart conditions and depression, potentially saving taxpayers about $3 billion over five years.

According to the Government, the changes mean that from October next year the cost of the widely-used cholesterol drug Atorvastatin could drop from $14.60 to $10.68, while the heart medicine Clopidogrel would fall from $14.01 to $10.38 and the depression treatment Venlafaxine would cost $11.65 instead of $16.52.

But consumer groups have warned that the decision to pay pharmacists a flat $3.49 fee (indexed to inflation) for dispensing medications instead of receiving a percentage of the price, will push the cost of many cheap medicines up.

The Consumer Health Forum said figures in the agreement showed consumers would "directly contribute" $8.2 billion to pharmacy owner remuneration in the next five years – around 34 per cent of the $23.6 billion to be paid to pharmacies for PBS medicines.

Forum Chief Executive Leanne Wells said that under the current agreement, consumers contributed 29 per cent of total payments.

The agreement includes bigger incentives for pharmacists to offer patients the option of using cheaper generic versions of medicines, backed by a $20 million media campaign.

The Government has already obtained the pharmacy industry's grudging acceptance of an optional $1 discount on patient co-payments, and it has also negotiated agreement on lower prices for branded drugs for which there is no generic substitute.

In a measure expected to save about $1 billion, the Government will cut the price it is prepared to pay for branded medicines by 5 per cent after they have been listed on the Pharmaceutical Benefits Scheme for five years.

The Commonwealth is also implementing changes to how it calculates the price it pays for medicines when they go off-patent. Currently, the Government determines market price using a weighted average of the price of all brands.

But under the new arrangement, expected to come into effect from October next year, the original 'premium' brand will be excluded from the calculation, driving the average price down.

"Removing originator brands from price calculations for everyday medicines could see the price of common generic drugs halve for some patients, whilst also saving taxpayers $2 billion over five years," Ms Ley said.

The Government also expects to save $610 million over five years by closing loopholes around the way combination drugs – where two separate medicines are combined to create a new patented medication – are subsidised.

As previously flagged, the Commonwealth also expects to save $500 million remove several low-cost over-the-counter medicines such as everyday painkillers from the PBS.

The Minister said Government efforts to speed up the listing of new medicines were also working, pointing out that there had been 652 new and amended listings on the PBS since it was elected in September 2013, compared with 331 listings during the previous three years.

Ms Ley said the chief independent scientific adviser on medicines, the Pharmaceutical Benefits Advisory Committee took an average of just 17 weeks to recommend whether or not a drug should be listed on the PBS – a turnaround that was one of the fastest in the world.

"We understand the importance of ensuring Australians have fast access to affordable medicines when and where they need them, and we are investing heavily to deliver this," the Minister said.

PBAC's operations have been reinforced by the appointment of leading cardiovascular disease specialist Professor Andrew Wilson as Chair, and Ms Ley said the Government would soon introduce legislation to expand PBAC's membership from 18 to 21 in recognition of its increasing workload and the complexity of matters being considered by it.

"Expanding the capacity of the PBAC to deal with complex medicines is another important step to ensure Australians benefit from new medicines sooner," she said.

And the Government expects Australia patients to get improved access to leading-edge medications with the launch of a website providing a one-stop shop regarding clinical trials happening around the world.

Evidence indicates that almost half of all phase three clinical trials conducted in Australia fell short of their patient recruitment targets, and Ms Ley said the website would make it easier for patients to find out about trials and take part in ground-breaking medical research.

ADRIAN ROLLINS

Minister lashed over organ donor review

The high-profile head of the Organ and Tissue Authority's advisory council resigned from the position on national television and fired a broadside at Assistant Health Minister Fiona Nash after she announced a review of the organisation's performance.

Television presenter David Koch used Channel Seven's *Sunrise* program to accuse Senator Nash of caving in to vested interests by commissioning the inquiry, which is to be conducted by consultancy Ernst and Young.

Senator Nash said the nation had invested a quarter of a billion dollars in organ and tissue donation since 2008, but the results had been modest.

The Minister said the rate of deceased organ donors had increased from 12.1 per million to just 16.1 per million in that time.

"Both Coalition and Labor Federal governments have made a significant investment in improving Australia's organ transplant rate," Senator Nash said. "Since then Prime Minister Kevin Rudd announced a national reform agenda for organ and tissue donation in 2008, around $250 million has been invested.

However, organ transplant rates have not increased as quickly as intended."

The Australian National Audit Office began a review of the Authority last year, and Senator Nash said a preliminary examination by the Health Department recommended there be a review of the current program, specifically looking at the Authority's role.

"Organ donation is an issue for the whole community and we need the whole community, including governments, to do absolutely everything possible," the Minister said. "As such, we need to take a good look at what's working and what isn't; what's successful and where we can improve."

But in his on-air attack, Mr Koch defended the Authority's performance and said Senator Nash lacked "backbone".

"Since the Organ and Tissue Authority was launched just back in 2009, Australia's donation rank has risen from a lowly 32nd in the world to 19th, and grown 41 per cent," the presenter said. "We still have a lot to do, but we are getting there, and it is a world-class rate."

Mr Koch said the ShareLife advocacy group, formed in 2006 to drive up organ donation rates, "basically want to take control of the reforms and take control of the money", and accused Senator Nash of acceding to their agenda.

"The politician in charge of donations, Fiona Nash, has not supported the Authority's program, and caved into this rich lobby group and started yet another expensive inquiry into it. It's an absolute disgrace," Mr Koch said.

He claimed that he had been blindsided by the Government's announcement of a review, saying Senator Nash had not called him to seek his advice or inform him of the inquiry, and said the Minister needed to "get a backbone".

But Senator Nash's office said Mr Koch had been told about the review by Health Department Deputy Secretary Mark Cormack on 20 May, and the Minister said she had spoken to "many stakeholders for some time" about ways to boost donation rates.

ShareLife Director Brian Myerson refuted Mr Koch's accusations.

"[It is] extremely disappointing that he's turned it into a personal attack. I would far rather just focus on the data and on the information," Mr Myerson said on ABC radio.

Senator Nash said Ernst and Young would hand her their report in early August.

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

Cure a big con, *Herald Sun*, 1 May 2015

Treasurer Joe Hockey said it was going to find a cure for cancer, but nearly 12 months after it was announced, the Government's $20 billion Medical Research Future Fund has not been set up. A/Professor Brian Owler said he has had an assurance from Ms Ley that the savings will be spent on funding new treatments under Medicare.

Heavy drinker warning, *MX Sydney*, 4 May 2015

Australians need labels to remind them that a liquid diet won't help to shed the kilos if it includes booze. AMA Chair of General Practice Dr Brian Morton said the AMA supported calorie labels for alcoholic drinks.

Smokes screen, *MX Melbourne*, 6 May 2015

The best bet to successfully quit the cigarettes is going cold turkey, but your doctor probably won't say that, according to a report on quitting guidelines. But AMA Chair of General Practice Dr Brian Morton said GPs only used the guidelines as suggestions, and going cold turkey was presented as an option.

Gadgets trapping workers, *The Daily Telegraph*, 8 May 2015

Australian workers are becoming more sedentary, with more than half preferring to check their gadgets rather than walk around during a break. AMA President A/Professor Brian Owler said people needed to be encouraged to get up and move, even if it's just for a couple of minutes every hour.

Doctors pained by perks limit, *Australian Financial Review*, 8 May 2015

The Government risks a row with the states and doctors over plans to wind back tax breaks on meals and entertainment for health workers. AMA Vice President Dr Stephen Parnis said it was disappointing the Government was making the change without consulting doctors.

Federal Budget 2015: Health groups kept in the dark on funding cuts, *Sydney Morning Herald*, 13 May 2015

Health groups have been left scrambling after the Federal Budget revealed plans to cut nearly $2 billion from the health system, but gave little detail about which programs would be cut. AMA President A/Professor Brian Owler said it was "insulting" how little information had been provided.

'Dull budget' doesn't please all, *The New Daily*, 13 May 2015

The health system is expected to contribute a lot to savings, but detail was scarce in the 2015-16 Budget. AMA President A/Professor Brian Owler said the Budget withheld detail on expected big-ticket savings.

Doctors warn of GP co-payment by stealth, *Channel 7*, 13 May 2015

Doctors are warning of a GP co-payment by stealth if the Federal Government doesn't end a freeze on the Medicare rebate. AMA President A/Professor Brian Owler said there was no indication in the Budget that the freeze would end before 2018.

Budget 2015: Community sector savages small business tax cut, *The Australian*, 13 May 2015

The medical fraternity demanded an explanation of the Government's plan to make savings by curbing Medicare benefits. AMA President A/Professor Brian Owler was disappointed and surprised at the prominence of the MBS review in the Budget, with clear inference that this would be a budget savings exercise.

Chance of GP co-payment 'by stealth', *The Age*, 14 May 2015

Australians could face the introduction of a GP co-payment by "stealth" as fewer practices are predicted to offer free bulk billed services because of Budget measures. AMA President A/Professor Brian Owler said the implications are much more than a co-payment by stealth.

GP helpline axed, *The Daily Telegraph*, 15 May 2015

After hours health care is set to become chaotic in coming weeks, with the popular GP helpline to be axed and at least one service treating 50,000 patients threatening to close. But AMA Chair of General Practice Dr Brian Morton said the reinstatement of incentive payments for GP after hours services was welcome.

Mini baby boom beckons as mums race cash deadline, *Courier Mail*, 15 May 2015

Australia could be headed for a mini baby boom, with women left with four months to get pregnant and still access federally funded parental leave on top of their employer scheme. AMA President A/Professor Brian Owler said some people would no doubt choose to time their pregnancy to beat the cut-off.

AMA wrong to oppose new medical school, *West Australian*, 18 May 2015

The AMA has launched a stinging attack on the Abbott Government's decision to support Curtin University's new medical

Continued on p16 ...

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.

... from p15

school. AMA President A/Professor Brian Owler said the country already had too many medical schools producing graduates who could not find internships or specialist training places.

AMA chief 'out of order' says Hockey, *The Age*, 18 May 2015

Treasurer Joe Hockey has made a blistering attack on AMA President A/Professor Brian Owler, accusing him of being "out of order" for his criticism of Prime Minister Tony Abbott for his decision to help fund a new medical school in Perth. A/Professor Owler said Mr Abbott's decision was a calamitous captain's call.

Funding deal gives bigger health role to pharmacists, *Canberra Times*, 19 May 2015

Pharmacists could receive public funding to dress wounds, deliver vaccinations and give weight loss advice under a $19 billion deal between the Government and the Pharmacy Guild. AMA Vice President Dr Stephen Parnis questioned the value of pharmacists playing a greater role in primary care.

Lowy legend on roll as tumble turns to triumph, *Sydney Morning Herald*, 19 May 2015

FFA chief executive David Gallop believes Frank Lowy only enhanced his legend after an incredible fall off the stage at the A-League grand final. AMA Vice President Dr Stephen Parnis said Lowy was extremely lucky to walk away unscathed from the incident, given his age.

A doctor in the house?, *The Australian*, 19 May 2015

A feature article exploring AMA President A/Professor Brian Owler's first year as AMA chief, which has been marked by several high-profile battles with the Government following its contentious 2014 Health Budget.

Tablets made of gold, *Herald Sun*, 20 May 2015

Pharmacists look to have scored an average $117,000 pay rise under a new $18.9 billion fiver year deal. AMA President A/Professor Brian Owler said this shows there is one approach for pharmacists and another for everyone else in the health system.

RADIO

A/Professor Brian Owler, 2UE Sydney, 12 May 2015

AMA President A/Professor Brian Owler talked about the 2015 Budget. A/Professor Owler said positive Budget measures did not make up for the devastating consequences of last year's Budget.

A/Professor Brian Owler, The World Today, 13 May 2014

AMA President A/Professor Brian Owler said a $1.7 billion cut in the Health Budget will hurt a range of schemes, including rebates for child health checks and some dental programs.

Dr Brian Morton, 702 Sydney, 15 May 2015

AMA Chair of General Practice Dr Brian Morton talked about the GP hotline and the future of after hours care. Dr Morton said it was pleasing that after hours incentive funding was being returned to GPs from Medicare Locals.

A/Professor Brian Owler, Radio National, 18 May 2015

AMA President A/Professor Brian Owler discussed the new medical school in WA. A/Professor Owler said there were already a huge number of medical graduates and many experienced trouble finding places to train.

A/Professor Brian Owler, 666 ABC Canberra, 19 May 2015

AMA President A/Professor Brian Owler discussed the removal of the Healthy Kids Check by the Government. A/Professor Owler said the scheme was important in helping detect health problems early that might affect children later in life.

Dr Brian Morton, ABC North Coast, 20 May 2015

AMA Chair of General Practice Dr Brian Morton discussed the Community Pharmacy Agreement. Dr Morton said doctors were not consulted about the Agreement, noting that it included more money for pharmacists at a time when there was a four-year freeze on Medicare rebates for patients.

TELEVISION

A/Prof Brian Owler, ABC News 24, 12 May 2015

AMA President A/Professor Brian Owler said the Budget did not address cuts made to health in the 2014 Budget, and there was no indication that public hospital funding would be reinstated.

A/Prof Brian Owler, ABC News 24, 13 May 2015

AMA President A/Professor Brian Owler talked about the 2015 Health Budget. A/Professor Owler said last year he saw not only the GP co-payment introduced, but savage cuts to the public hospital system. He said there was no indication in the Budget that those cuts would be restored.

2015 HEALTH BUDGET – at a glance

MAIN MEASURES

- **Medicare rebate freeze to mid-2018**
- **public hospital funding wound back**
- **MBS review**
- **e-health records re-boot - $485m**
- **Emergency response capacity - $98m**
- **Cancer screening and medication - $628m**
- **National Drugs Campaign and Ice Action strategy - $20m**
- **Boosting immunisation coverage - $188m**
- **Developing tropical health expertise - $23.8m**

CUTS

- **Slashing health programs and funds - $962.8m**
- **$5000 cap on FBT exemption for hospital doctors - $295m**
- **Child dental benefits - $125.6m**
- **GP child health assessments - $144.6m**
- **PBS price and safety net changes - $257.3m**
- **Health Dept and TGA cuts - $113.1m**
- **Consolidating health work force scholarships - $72.5m**
- **Adult public dental services - $45m**

Health Minister on hunt for more savings following co-payment climb-down

Health Minister Sussan Ley is on the hunt for more savings from her portfolio after revealing the Federal Government would abandon attempts to increase the patient co-payment for prescription medicines.

Just a week after the Government unveiled its 2015-16 Budget, Ms Ley made a surprise concession that the measures – which had been expected to save $1.3 billion – had no prospect of passing the Senate and would be dumped.

In last year's Budget, the Government announced plans to increase the Pharmaceutical Benefit Scheme co-payment by $5 to $42.70 for general patients and 80 cents to $6.90 for concession patients. As part of the change, the Government was also going to raise the PBS safety net thresholds, by the CPI plus 10 per cent for general patients while the threshold for concession card holders would rise from 60 prescriptions to 62 from July, and reach 68 in 2018.

But the Budget measures have stalled in the Senate in the face of fierce opposition from Labor, the Greens and cross-bench senators, and Ms Ley admitted defeat in the aftermath of the most recent Budget.

"Well, that measure is not going to pass the Parliament," the Minister said. "I have had conversations with the crossbench, and they have indicated they are not going to support it. I am not going to waste time putting things through the Parliament that are going to be voted down by my colleagues."

The backdown means the Minister will be hunting for equivalent savings elsewhere in the health budget, with Treasurer Joe Hockey making it clear that ministers will be required to find alternatives for any measures that do not make it through the Senate.

"All the ministers know that if one saving comes off the table, another one needs to be found of equivalent value," Mr Hockey said.

Ms Ley said that, with the PBS co-payment increase blocked, she was "looking at ways that we will maintain our fiscally responsible approach. We understand that we have to balance the books in term of our national accounts".

But finding more savings in the health portfolio will be a major challenge.

The Federal Government is already gouging $57 billion out of public hospital funding in the next decade, and the Minister has just signed off on an agreement awarding an extra $3 billion to the nation's pharmacies over the next five years, including an additional $600 million for pharmacies to provide "primary care support" programs.

In addition, the Budget included almost $1 billion in savings from cuts to a range of programs funded by the Health Department, including in public and preventive health, as well as a cut in GP funding to conduct child health checks.

There is a concern that there will be significant pressure to realise major savings from the recently initiated review of Medicare Benefits Schedule items, even though Ms Ley insists that is not the overriding purpose of the exercise.

Shadow Health Minister Catherine King said the Minister's backdown on the proposed PBS co-payment increase, barely a week after the Budget was released, showed a chaotic approach to health financing, and called on Ms Ley to "come clean" on where she was looking for further cuts.

ADRIAN ROLLINS

INFORMATION FOR MEMBERS

Essential GP tools at the click of a button

The AMA Council of General Practice has developed a resource that brings together in one place all the forms, guidelines, practice tools, information and resources used by general practitioners in their daily work.

The GP Desktop Practice Support Toolkit, which is free to members, has links to around 300 commonly used administrative and diagnostic tools, saving GPs time spent fishing around trying to locate them.

The Toolkit can be downloaded from the AMA website (http://ama.com.au/node/7733) to a GP's desktop computer as a separate file, and is not linked to vendor-specific practice management software.

The Toolkit is divided into five categories, presented as easy to use tabs, including:

- online practice tools that can be accessed and/or completed online;
- checklists and questionnaires in PDF format, available for printing;
- commonly used forms in printable PDF format;
- clinical and administrative guidelines; and
- information and other resources.

In addition, there is a State/Territory tab, with information and forms specific to each jurisdiction, such as WorkCover and S8 prescribing.

The information and links in the Toolkit will be regularly updated, and its scope will be expanded as new information and resources become available.

Members are invited to suggest additional information, tools and resources to be added to the Toolkit. Please send suggestions, including any links, to generalpractice@ama.com.au

Public and preventive health programs under cloud

The future of important public and preventive health and support programs for Alzheimer's, palliative care, alcohol and addiction, rural and Indigenous health are under a cloud after the Federal Government announced almost $1 billion of cuts from health programs.

In a decision that has thrown doubts over the funding of organisations including Alzheimer's Australia, Palliative Care Australia and the Foundation for Alcohol Research and Education, the Government said it would achieve savings of $962.8 million over the next five years by "rationalising and streamlining funding across a range of Health programs", including so-called Health Department Flexible Funds, dental workforce programs, preventive health research, GP Super Clinics and several other sources.

AMA President Associate Professor Brian Owler the lack of detail around the savings was concerning.

"There is a lot of uncertainty in Canberra and around the country at the moment as to whether those important programs, those important organisations, such as Palliative Care Australia, Alzheimer's Australia, the Foundation for Alcohol Research and Education, and many other non-government organisations, are going to be continued to be funded," A/Professor Owler said. "Rather than announcing that these cuts of almost $1 billion are going to be made to those flexible funds, and leaving it up in the air for these organisations, we need to see certainty around where those cuts are going to be made, how they are going to be applied, so that these organisations can not only plan for their future but also continue their very important work."

In addition, the Government has tagged the Health Department for an extra $113.1 million of savings in the next five years as part of its Smaller Government initiative.

It said this would be achieved by measures including consolidating the Therapeutic Goods Administration's corporate and legal services into the Health Department, axing the National Lead Clinicians Group, replacing IT contractors by recruiting full-time staff and "ceasing activities that mirror the work of specialist agencies", such as the Independent Hospital Pricing Authority, the National Blood Authority, and the Australian Institute of Health and Welfare.

ADRIAN ROLLINS

'Co-payment by stealth' warning because of rebate freeze

The AMA has warned the Federal Government that its decision to push ahead with a four-year freeze of Medicare rebates has overshadowed other welcome health initiatives in the Budget.

AMA President Associate Professor Brian Owler said the profound and long-lived effects of the rebate freeze would overwhelm a clutch of modest positive measures unveiled in the Budget.

"The GP co-payment may be gone, but the health system is still struggling with the impact of the freeze on Medicare patient rebates," A/Professor Owler said, cautioning that it would drive down bulk billing rates, increase patient out-of-pocket expenses and threaten the viability of many medical practices.

Research has suggested the freeze, which the Opposition has condemned as a "co-payment by stealth", could see patients hit with upfront charges of $8 to see a doctor.

"We know that doctors' costs are going to keep rising," A/Professor Owler said. "The costs for their practice staff is going to keep rising. The costs to lease their premises and to provide quality practice as a GP or a specialist is going to keep rising.

"If the rebates don't rise, those costs have to be passed on in out-of-pocket expenses - we will see less bulk-billing, and there is the possibility of seeing a co-payment by stealth, as has been alluded to by some."

The Government was forced to dump its plans to impose a patient co-payment and a rebate cut for shorter GP consultations following widespread opposition from patients and doctors.

Budget papers show how costly the climb down was for the Government, indicating there would be $2.95 billion in foregone savings over the next four financial years.

But Health Minister Sussan Ley said the Government would not back down on the Medicare rebate indexation freeze, which is due to remain in place until mid-2018, claiming it was necessary for "fiscal responsibility".

Before the Budget, the Minister said she would like to see the rebate freeze dumped, and indicated that she was "working towards" removing it before 2018.

But A/Professor Owler said the increasingly corrosive effects of the freeze on primary health care meant it needed to be scrapped immediately.

> "The rebate freeze means medical practices will have to absorb these higher costs in their operating budgets, raising fears that many – particularly those operating in disadvantaged areas with high bulk billing rates – will find it increasingly difficult to remain open"

Virtually since the inception of Medicare, rebate indexation has lagged behind increases in the cost of providing primary health services, increasingly undermining the viability of medical practices.

While inflation has slowed in recent years, it is forecast by Treasury to rise by around 2.5 per cent a year over the next two years, while wages are predicted to increase at an even higher rate.

The rebate freeze means medical practices will have to absorb these higher costs in their operating budgets, raising fears that many – particularly those operating in disadvantaged areas with high bulk billing rates – will find it increasingly difficult to remain open.

"People need to remember that the indexation freeze is a freeze for the patient's rebate," A/Professor Owler said. "It is not about the doctors' income, it is actually about the patient's rebate and their access to services. And, unfortunately, we have seen in the health budget no indication that those freezes are going to be lifted any earlier than 2018."

ADRIAN ROLLINS

Specialist patients up for thousands as rebate freeze bites

Patients undergoing heart surgery and other specialist treatments face a major hike in out-of-pocket expenses in the next three years that could leave them thousands of dollars poorer if the Federal Government persists with its Medicare rebate freeze, an AMA analysis has found.

Figures prepared by the AMA show the freeze will save the Government almost $2 billion by mid-2018, with more than half of this coming from medical specialists, their patients and health insurers as the value of the Medicare rebate declines and the cost of providing care rises.

The Government has kept the rebate freeze, first announced in last year's Budget, as a device to encourage the AMA and other medical groups to assist in identifying efficiencies and savings through the Medicare Benefits Schedule review initiated last month.

Health Minister Sussan Ley has described the freeze as a regrettable necessity, though indicating that, "as an article of good faith, I am open to a future review of the current indexation pause as work progresses to identify waste and inefficiencies in the system".

But the AMA analysis shows it will come at an enormous cost to patients, as the Government dumps a bigger share of health care cost onto households and practitioners.

The AMA estimates the freeze will have caused a $127 million shortfall in Medicare funding this year alone, rising to almost $364 million next financial year, $604.1 million in 2016-17, and almost $850 million in 2017-18. Even without any increase in the number of services provided, the rebate freeze will cumulatively rip $1.94 billion out of the system over four years.

Its effect in general practice has been likened to a "co-payment by stealth", after University of Sydney research suggested GPs may have to charge non-concession patients more than $8 a visit to make up for the money withheld from the system as a result of the rebate freeze.

AMA President Associate Professor Brian Owler said patients would bear the brunt of the funding shortfall.

"We know that doctors' costs are going to keep rising. The costs for their practice staff is going to keep rising. The costs to lease their premises and to provide quality practice as a GP or a specialist is going to keep rising," A/Professor Owler said. "If the rebates don't rise, those costs have to be passed on in out-of-pocket expenses - we will see less bulk-billing, and there is the possibility of seeing a co-payment by stealth, as has been alluded to by some."

The AMA President said the effect on patients in need of specialist care would be even more profound, warning that, "the out-of-pocket expenses for specialists are going to be most severely hit".

Under current arrangements, the Medicare rebate only covers a proportion of the cost of specialist care, and private health funds commit to covering an extra 25 per cent of the MBS fee, plus a loading on top of that for doctors who participate in "gap cover" schemes.

In the past, the health funds have indexed their cover in tandem with increases in the Medicare rebate – and have on occasion increased their cover even when rebates have been held flat.

But A/Professor Owler is among those fearful that insurers will be reluctant increase their cover without any lift in the rebate. If this occurs, many specialists may opt-out of gap cover schemes, which would mean private health cover would revert to the bare minimum 25 per cent of the Medicare rebate, with patients left to pick up the tab.

"I think there is a real issue for private health insurers," he said. "If they choose to index independently of the MBS, they are going to have to pass on higher private health insurance premiums to people, or, if they choose not to index, there is a real chance that out-of-pocket expenses for specialist costs are going to rise significantly."

The AMA has prepared resources for doctors and patients to help explain the Medicare rebate indexation freeze and its impact, including a patient guide and clinical examples. The resources are available at: https://ama.com.au/article/medicare-indexation-freeze-support-materials-...

ADRIAN ROLLINS

Budget small business tax concessions – what they mean for doctors

Cutcher & Neale partner Jarrod Bramble: "Tax planning has never been simpler"

Many doctors stand to gain from Federal Government changes to small business taxation arrangements announced in the Federal Budget, according to accounting expert Jarrod Bramble.

Mr Bramble, a partner in New South Wales-based accounting firm Cutcher & Neale, said medical practitioners in private practice, visiting medical officers with fee for service, sessional fee or simplified billing arrangements, and staff specialists with rights of private practice were all in a position to take advantage of small business concessions outlined in the budget, including a 1.5 percentage point tax cut and a $20,000 instant asset write-off.

Mr Bramble that practitioners operating as a small business with an aggregated annual turnover of less than $2 million would be eligible for an immediate write-off of assets purchased after Budget night that cost less than $20,000.

"Tax planning has never been simpler," he said. "[It] means, in most cases, an item purchased for less than $22,000, including GST, will receive a GST credit of $2000 and benefit from a tax saving of $9800. This effectively halves the cost of new plant and equipment, as well as motor vehicles."

The arrangement will be in place until 30 June 2017.

Mr Bramble said that assets pooled in prior years with a closing balance of $20,000 or less during the two years from 30 June 2015 will also be eligible for the immediate write-off.

The change also means that professional expenses incurred in setting up a practice will, from 1 July, be immediately deductible, where previously they had to be written off over five years.

Practitioners who operate using an eligible corporate structure (including an annual aggregated turnover of less than $2 million) would also receive a cut in the company tax rate from 30 to 28.5 per cent and, where a medical professional carries on the business as an individual, they would be eligible for a maximum $1000 rebate.

But Mr Bramble warned proposed changes to fringe benefits tax arrangements would impose a $5000 cap on the FBT exemption

for meal and entertainment expenses, affecting the salary packaging benefits for public and not-for-profit hospital staff.

The Government intends to impose the cap from 1 April next year, giving doctors just 10 months to maximise the benefit of current arrangements, Mr Bramble said.

The accountant also urged doctors to use vehicle log books if they wanted to be able to claim more than a maximum annual deduction of $3300.

He said deductible trips for a log book included travel between hospitals, journeys from home to a patient's house and then to a practice, trips between a practice and a hospital, doctors on call who have dispensed advice from home before travelling, and travel to conferences, workshops and other education events.

Mr Bramble also noted that the Government's four-year freeze on Medicare rebates meant by mid-2018 their value would be 7 per cent less than now.

ADRIAN ROLLINS

It is not about savings, honest: Minister reassures AMA on MBS review

Health Minister Sussan Ley has given AMA President Associate Professor Brian Owler her personal assurance that the review of the Medicare Benefits Schedule initiated by the Abbott Government is not being driven by a search for savings.

In a notable intervention just hours after the Budget was released, Ms Ley was forced to reaffirm that the primary purpose of the review, announced by the Government last month, was to modernise the MBS and make sure the services listed on it were best practice.

> "A/Professor Owler said the AMA accepted that the Government would be looking for savings, but warned the medical profession would not participate in a process that was primarily aimed at achieving a 'hit-list of savings'"

The AMA had given its support to the review on the grounds that its main focus was on eliminating inefficiencies and reflecting advances in medical practise.

But following the release of the Budget, A/Professor Owler sought urgent reassurances from the Government that that remained the case, and that the review would not be simply a cost-cutting exercise.

"I have sought clarification from the Minister that there is no dollar amount attached to the MBS review, which was one of the conditions on the AMA and the profession supporting this process," the AMA President said. "So, we remain committed to the process of the MBS review. It is not purely about a savings measure, this must be about making sure that we have a modern MBS that actually reflects modern medical practice, and it actually maintains access for patient services."

In the Budget, the Government allocated $34.3 million over the next two years to support the work of the Medical Services Advisory Committee and "deliver an expanded process of MBS review overseen by a clinician-led Medicare Benefits Schedule Review Taskforce".

A/Professor Owler said the AMA accepted that the Government would be looking for savings, but warned the medical profession would not participate in a process that was primarily aimed at achieving a "hit-list of savings".

Concerns about the overriding purpose of the review were fuelled by a briefing by Health Department Secretary Martin Bowles in which he told the AMA President and other health leaders the MBS review would build on considerable savings already made by MBS review processes.

A/Professor Owler said the comments were inconsistent with previous Government assurances that the MBS review was not about Budget savings, and prompted him to seek urgent clarification from the Minister.

Following his discussions with Ms Ley, the AMA President said he was now satisfied that the Government's objective for the review, as originally stated, was to update the MBS to reflect modern practice and remove inefficiencies.

The fact the review is to be led by respected clinician, Sydney Medical School Dean Professor Bruce Robinson, and its work is to be complemented by a Primary Health Care Advisory Group chaired by immediate-past AMA President Dr Steve Hambleton, has helped build confidence about the quality of the recommendations that will come from the process.

And Ms Ley has been at pains to emphasise that, although the review may result in savings, that was not its overriding purpose, and it was part of a "balanced" approach to expenditure being taken by the Commonwealth.

"The Abbott Government has announced a balanced approach to health spending focussed on efficient, evidence-based investment and laying the foundations for long-term reform," the Minister said.

She said the Government's approach enabled a "sensible" $2.3 billion increase in the health budget to $69.7 billion in 2015-16, "whilst also delivering efficiencies that are evidence-based and ensure the future sustainability of program spending".

ADRIAN ROLLINS

Hospitals hit with $5000 FBT cap on meals

The Federal Government has imposed a tight cap on fringe benefit tax exemptions for public and not-for-profit hospital staff, fuelling concerns many institutions will struggle to attract and retain doctors, nurses and other highly qualified health workers, undermining their ability to provide vital care.

Confirming fears public hospitals would be caught up in attempts by the Commonwealth to boost its revenue, the Government has announced plans to introduce a cap on FBT exemptions for meals and entertainment for hospital employees.

Under current arrangements, hospital staff, including doctors and nurses, are eligible for FBT exemptions worth up to $17,000 a year, while the FBT exemption for meals and entertainment is uncapped.

But the Government has flagged a crackdown on the perk, announcing the introduction of "a single grossed up cap of $5,000 for salary sacrificed meal entertainment and entertainment facility leasing expenses".

The change is due to come into effect from 1 April next year, and the Government said it would "improve the integrity of the tax system by introducing a limit on the use of these benefits".

It is expected to provide a $295 million boost to Budget revenue in its first four years.

But the AMA has warned that the change will be costly for many hospitals, particularly in rural areas, that struggle to attract the staff they need.

AMA Vice President Dr Stephen Parnis said public hospitals relied heavily on FBT exemptions to help them offer doctors and other highly trained staff competitive salary packages.

"Traditionally, public hospitals have been a less attractive area of practice for doctors because private sector work generally attracts greater remuneration when compared with the salaries and conditions available to most doctors who work primarily in public hospitals," he said. "Ill-conceived and rushed reforms could significantly affect the ability of public hospitals to recruit and retain staff."

"Public hospitals are under the pump, and are demanding places to work," Dr Parnis said. "The FBT exemption has been a way of making them more attractive places to work."

ADRIAN ROLLINS

Govt forgoes expert clinical advice

Concerns have been raised about the quality and diversity of advice to the Federal Government on clinical issues following its decision to abolish the National Lead Clinicians Group.

In a move that jars with Health Minister Sussan Ley's stated intent to reinvigorate relations with the medical profession through increased consultation and engagement, the Government has dumped the Group, set up by the former Labor Government in 2011, to save $17.1 million.

The Group was originally established to provide an alternative source of balanced and informed advice to the Health Minister and Department on policy from the clinical perspective.

It comprised 17 leading clinicians including senior Brisbane-based surgeon Dr Russell Stitz, former AMA President Dr Andrew Pesce, ANU Medical School Dean Professor Nicholas Glasgow, public health expert Dr Mark Wenitong and Clinical Dean of the University of Newcastle's Rural Clinical School Dr Jennifer May.

Dr Pesce said the decision to close the group down was disappointing and frustrating.

He said it had taken three years of hard work by the group to establish good working relations with the State Clinical Senates and primary health care organisations to ensure governments at all three levels received coordinated and coherent clinical advice.

"The frustration for me is that we had just got to the stage where we could work together and we had good working relationships between the three levels," he said. "It is disappointing. It was an opportunity for the Department and the Minister to get advice from the multidisciplinary clinical perspective."

Dr Pesce said the Group was unique in the health system, and had been formed as part of the previous Government's clinical engagement strategy.

He said the group had met regularly, at least every three months, and in the first three years had undertaken extensive consultations with clinicians, medical organisations, Medicare Locals, State Clinical Senates and others across the nation.

But it has not met since last May, and Dr Pesce said the Government's decision to wind it down had not come as a surprise.

While the Government has undertaken consultations with clinical groups, Dr Pesce said such a case-by-case approach was not a substitute for the National Lead Clinicians Group and what it had to offer.

The Government said the Group's "residual functions" would be absorbed into the Health Department, but Dr Pesce said that, "if the Minister wants to have reasonable, balanced, multidisciplinary advice, she has got to have a group like this. It was a structured way to ensure balanced, multidisciplinary advice was available to the Minister".

ADRIAN ROLLINS

No Budget relief for stretched hospitals

The AMA has slammed the Federal Government over its refusal to reverse enormous cuts to public hospital funding which are set to increase the strain on the nation's already stretched tertiary health care system.

The Government has so far refused to budge on the withdrawal of $57 billion from public hospital funding to the states and territories in last year's Budget despite fierce criticism from the AMA and loud protests from premiers, chief ministers and health ministers from around the country.

While the Government insists that Commonwealth funding for public hospitals is increasing, it is rising at a slower pace than was set out under the National Health Reform Agreement, and AMA analysis has shown it falls off sharply once the activity-based funding system comes into effect.

Treasury figures from the current Budget show Commonwealth public hospital funding for 2015-16 will be $227 million less than was planned in Labor's last Budget, and the gap will increase to more than $1 billion in 2016-17.

The following year, 2017-18, the funding shortfall between what is currently planned and what was set out in the Abbott Government's first Budget will be close to $800 million, and by 2018-19 will barely match what originally planned for a year earlier.

AMA President Associate Professor Brian Owler said the steady ratcheting back in Commonwealth funding for public hospitals was a deeply concerning trend that did not bode well for patient care.

"The Budget unfortunately does not go anywhere near addressing the concerns of the AMA from last year's Budget," the AMA President said. "Last year we saw not only the GP co-payment introduced and a number of other measures, but we had the savage cuts to the public hospital system. There is no indication in this Budget that those cuts are going to be restored."

The funding cuts add to pressure on a public hospital system already showing signs of significant strain.

The AMA's Public Hospital Report Card, released a day before Prime Minister Tony Abbott met with the nation's premiers and chief ministers, showed that elective surgery waiting times

remain stubbornly high (for the fourth year in a row the national median waiting time in 2013-14 was 36 days), admission delays remain unsatisfactory and the proportion of beds per population is shrinking.

Hospitals are missing key performance targets even before major Commonwealth funding cuts hit. In last year's Budget the Government announced changes that Treasury figures show will rip $57 billion out of the public hospital system in the next 10 years.

A/Professor Brian Owler warned the looming funding cuts would create "a perfect storm" for public hospitals already struggling to cope, and would cause patient waiting times to blow out.

"Public hospitals and their staff will be placed under enormous stress and pressure, and patients will be forced to wait longer for their treatment and care," he said. "Funding is clearly inadequate to achieve the capacity needed to meet the demands being placed on public hospitals."

Discussion of the future of public hospital funding has been deferred to a retreat to be attended by the nation's political leaders in July.

ADRIAN ROLLINS

Flawed e-health records system gets $485m re-boot

All Australians will be automatically allocated an electronic health record aimed at eliminating medication errors and duplicated tests and treatments under plans to overhaul the much-maligned Personally Controlled Electronic Health Record system.

The Government has committed $485 million to redevelop the previous Government's flawed electronic health records system to make it much more clinically relevant and useful for patients, doctors, other health professionals and hospitals.

Adopting key recommendations of a Government-initiated review, Health Minister Sussan Ley said the system would be renamed *myHealth Record* and trials would be conducted to test whether it should be made an opt-out scheme, rather than the current opt-in arrangement.

Despite the investment of more than $1 billion, barely two million people have created an electronic health record on the PCEHR since it was launched almost three years ago, and only a small proportion of hospitals and doctors have participated so far.

But the review, led by UnitingCare Health Group Director Richard Royle and including former AMA President Dr Steve Hambleton, found valuable work had been done in developing unique identifiers for patients, as well as establishing a secure messaging system and a standardised clinical and pharmaceutical terminology – all considered fundamental building blocks for a national electronic health record system.

Rather than scrapping the PCEHR and starting again, the review recommended changes to turn it into a much more clinically useful system, including turning it into an opt-out scheme and making it clear when patients changed or withheld information.

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Flawed e-health records system gets $485m re-boot

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One of the major criticisms of the scheme has been the suggestion that patients could hide or delete information from the record without consulting their doctor.

In its submission to the Royal review, the AMA said the ability of patients to remove or restrict access to information in the PCEHR was a fundamental flaw because doctors could not be confident that it provided the comprehensive medical information needed to make an accurate diagnosis or properly assess the safety of proposed avenues of treatment.

> "Despite such improvements, doubts remain about the extent to which practitioners will adopt the system without specific payments and incentives that recognise the time and effort involved in creating and maintaining patient records on the system"

In announcing the Government's overhaul of the scheme, Ms Ley did not directly address this concern.

But the Minister said the Government wanted to turn it into a system that better reflected the needs of health professionals, including making sure there was better alignment with current medical practice workflows, and ensuring vital information such as current medications and adverse drug interactions could be readily identified.

Despite such improvements, doubts remain about the extent to which practitioners will adopt the system without specific payments and incentives that recognise the time and effort involved in creating and maintaining patient records on the system.

Ms Ley said e-health records had the potential to deliver big advances in patient safety while reducing inefficiencies and avoiding double-up tests, prescriptions and other procedures.

Chair of the AMA Council of General Practice Dr Brian Morton told *Starts at Sixty* that the *myHealth Record* system could potentially be a much better system for transferring patient information between health centres like hospitals and medical practices, and could prevent unnecessary duplicate testing, particularly in pathology and radiology.

"With simple things like blood tests, if you've had the test done in hospital, your GP doesn't have to repeat it and vice versa," Dr Morton said, not only saving money but improving medical outcomes for patients.

"It can readily improve your care – if an abnormal result is found in a previous test, the doctor at a hospital would know where to look which is the next step in the process of getting an accurate diagnosis," Dr Morton said.

Ms Ley estimated a fully functioning national system could save the Commonwealth $2.5 billion a year by 2025, and an additional $1.6 billion a year for the states.

But such savings will only be realised if there is widespread adoption of the system, and making it opt-out is seen as crucial to achieving this.

"Doctors have indicated they're much more likely to use the system if all their patients have a record," Ms Ley said. "We also need full coverage if we're to cut down on inefficiencies created by not having one seamless records system."

But the Minister said the Government would nonetheless proceed carefully, and the opt-out arrangement would be trialled before being introduced, to safeguard public confidence.

In another change recommended by the Royal review, the Government has announced the National E-Health Transition Authority will be dissolved and replaced by the Australian Commission for eHealth, which would be advised by committees that included clinicians.

ADRIAN ROLLINS

Govt invests millions in life-saving tests, treatments

Australian women will be among the first in the world to have access to an advanced cervical cancer screening test as part of Budget measures to upgrade the detection and treatment of cancer.

The Federal Government expects dozens of lives will be saved every year by the introduction of a test to detect the cervical cancer-causing human papillomavirus infection before abnormal cell changes occur.

Health Minister Sussan Ley said the test was a major advance on the current biennial pap smear test because it only had to be conducted once every five years, more than halving the number of invasive cervical cancer checks women typically have to undergo during their lives from 26 to nine.

The Minister said around 250 women died each year from cervical cancer, and the new screening test was likely to drive a 15 per cent jump in the number of cases prevented.

"As they say, prevention can be as good as a cure, and this is important news for Australian women that could literally save their life," Ms Ley said. "This announcement ensures Australia remains a world leader in cancer prevention, becoming just the second country in the world [after the Netherlands] to adopt this new test as part of a national screening programme."

The introduction of the new testing regime is expected to be virtually cost neutral over the Budget forward estimates, with the $3.9 million outlaid in the next two financial years recouped by fewer tests and lower mortality rates in subsequent years.

The new cervical cancer test is part of a broader effort by the Government to enhance cancer screening, including plans to establish a National Cancer Screening Register to document and coordinate cervical and bowel cancer diagnostic testing – though no funds were allocated to this in the Budget.

The Budget said simply that the Government was "committed to developing a National Cancer Screening Register to replace the current State and Territory registers" for cervical and bowel cancer.

Ms Ley said currently states and territories maintained their own cancer screening records, creating a fragmented and incoherent system of limited clinical usefulness.

"It can be difficult to keep track of your screening requirements, which is why we are investing in the creation of a single national screening register for cancers, to ensure all Australians can remain up to date," she said.

The creation of a national register follows last month's expansion of the bowel cancer screening program and is seen as a complement to the augmented cervical cancer test.

"With recent investments in cancer prevention and detection, it is essential that we have a consistent and contemporary register that supports the enhanced screening programmes," the Minister said. "The register will support both the expanded Bowel Screening Program and the new Cervical Screening Program, and provide a template for any future national population screening tests."

In addition to new cancer screening tests and systems, the Government has also allocated $628 million to subsidise access to expensive treatments for melanoma and breast cancer.

The melanoma drug trametinib (Mekinist), which costs more than $131,000 a treatment, will be added to the Pharmaceutical Benefits Scheme from 1 July, as will three breast cancer drugs, pertuzumab (Perjeta), trastuzumab (Herceptin) and trastuzumab emtansine (Kadcyla).

Ms Ley said an estimated 1036 melanoma patients would benefit from the Mekinist listing, while more than 590 people a year would have access to more effective breast cancer therapies.

Women aged between 25 and 74 years will have access to the upgraded cervical cancer screening test through the Medicare Benefits Schedule from 1 May 2017.

ADRIAN ROLLINS

Govt banks on massive savings from No Jab No Pay policy

The Federal Government expects to save more than half a billion dollars by withdrawing childcare payments and tax benefits from parents who do not keep their child's vaccination coverage up-to-date.

Indicating that it expects tens of thousands of families to fall foul of its No Jab, No Pay policy, the Government has projected $508 million in savings under the measure by 2018-19, surprising pro-vaccination activists and concerning the AMA.

In a crackdown on parents who refuse or neglect the vaccination of their children, the Government has announced that the only authorised exemption from the vaccination requirements of the Child Care and Family Tax Benefit Part A schemes, which provide childcare subsidies of up to $205 a week, an annual $7500 rebate and tax supplement worth $726 a year, is on medical grounds.

While endorsing measures to encourage parents to ensure their children's vaccination is up-to-date, AMA President Associate Professor Brian Owler said it was a concern the Government was planning to make such extensive savings, not least because of what it implied about the number of parents who were not ensuring adequate immunisation protection.

"What we should be saying is we need to make sure that we do get all those children vaccinated, and we should be aiming to actually continue to spend the same amount on those sorts of Family Tax Benefits," he said.

The AMA President said although the Government's changes would be likely to result in some savings, it was "a concern that clearly that amount of savings has been banked, given that that means that a child won't be vaccinated".

The Government's savings estimates imply that families would lose entitlements covering around 150,000 children under the changes, far more than the estimated 39,000 children of people who have lodged a conscientious objection to vaccinations.

A/Professor Owler said the number was surprising and alarming.

"I think it's fair to say I would be surprised if it was 150,000 children," he said. "We know that the number of conscientious objectors is around 39,000. So, to say it is going to be 150,000, I think, is a concern.

"I think our aim should be to make sure that all of those people get their children immunised.

"If it is that number of people, we should really be saying, well, how can we invest even further to make sure that the message gets out there around vaccination, and that we make sure that people do the right thing by their children, do the right thing by everyone else in the community as well, and get their children vaccinated."

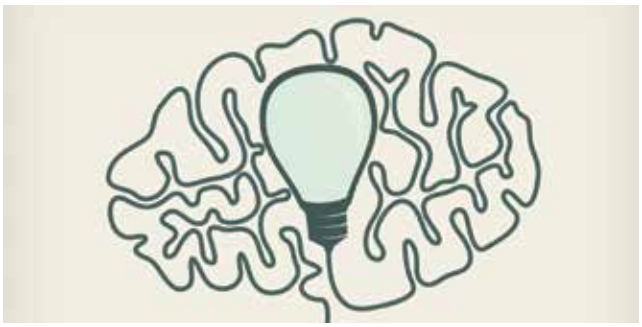
In the Budget, the Government provided almost $162 million over five years to add vaccines to prevent shingles in the elderly and diphtheria, tetanus and whooping cough in toddlers to the National Immunisation Program from next year.

As announced last month, the Government has also provided $26.4 million for $6 incentive payments for doctors to chase up the parents of children who have fallen behind on their vaccinations.

ADRIAN ROLLINS

Research

Demanding jobs may be good for the brain



Stressed-out executives and professionals should take heart.

German researchers have found professions that challenge the brain may provide the best protection against mental decline in old age.

The study found that memory and thinking ability are better preserved by solving problems, developing strategy, conflict resolution and information processing than less demanding work.

The researchers regularly tested 1054 people over the age of 75 for a period of eight years, assessing memory and thinking ability and categorising the kind of work they done into three groups – executive, verbal or fluid.

Executive tasks involved management, strategy development and resolving conflicts, verbal tasks included evaluating and interpreting information, and fluid tasks incorporated selective attention and data analysis.

The researchers found that people whose working lives included the highest level of all three types of tasks performed best in the memory test, and over the eight year period their mental decline was half of that of participants whose jobs were less mentally demanding.

Lead researcher Dr Francisca Then, from the University of Leipzig in Germany, said that high levels of executive and verbal tasks were significantly associated with slower rates of memory loss and thinking.

“Our study is important because it suggests that the type of work you do throughout your career may have even more significance on your brain health than your education,” Dr Then said.

“Education is well-known factor that influences dementia risk. Challenges at work may indeed be a positive element, if they build up a person’s mental reserve in the long-term.”

The study was published in *Neurology*.

KIRSTY WATERFORD

Under the microscope

Allergy-free eggs not just science fiction

overy by CSIRO and Deakin University researchers about how to switch off an egg white protein that is a common cause of allergic reactions.

There are 40 proteins in egg whites, but only four cause the majority of adverse reactions. The researchers created all four proteins and discovered how to switch off the allergenic response in one protein.

Lead author, Associate Professor Cenk Suphioglu, said that it was one of the first critical steps towards developing allergy-free eggs to make life easier for people with allergies.

“We have developed synthetic versions of the allergens, which are more pure and standardised than the natural extract, which would be useful for both skin-prick testing and immunotherapy,” A/Prof Suphioglu said.

The research was published in the journal of *Molecular Immunology.*

Children indulge in soft drinks too often - study

Soft drinks once enjoyed occasionally as an indulgence for children have now become part of their mainstream diet, according to new research.

A study published in Appetite has found that half of all children had a soft drink once or more each week, and more than one in 10 drank the sugar-laden, high-calorie drinks every day.

The study interviewed 1302 parents to measure factors influencing the frequency of consumption of soft drinks in their children.

South Australian Health and Medical Research Institute’s Dr Caroline Miller said the study found that most parents had a positive attitude to soft drinks, thinking they were enjoyable, good value for money and convenient.

With research indicating daily consumption of soft drinks are associated with a 69 per cent relative increase in the risk of obesity, there has been a renewed call for the Federal Government to double the tax on sugar sweetened beverages.

KIRSTY WATERFORD

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