

A U S T R A L I A N

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Spectre of 2014 haunts health

Rebate freeze, hospital funding cuts overshadow modest Budget measures, p5

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2015 AMA National Conference: Medicare: midlife crisis?

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Associate Professor
Brian Owler



Vice President
Dr Stephen Parnis

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The ghosts of Budgets past

BY AMA PRESIDENT ASSOCIATE PROFESSOR BRIAN OWLER

“Instead, we saw a range of modest (but welcome) announcements that remain completely overshadowed by the lingering negative effects of the Medicare patient rebate freeze and public hospital funding cuts – the ghosts of Budgets past”

While listening to the Secretary of the Department of Health in the Health Budget lock-up in Canberra on Tuesday night, I was more than a little surprised that the sales pitch to Australia's health leaders was that the centrepiece of the 2015 Health Budget was the Review of the Medicare Benefits Schedule (MBS) – a measure that had been announced some months earlier with supposedly no Budget revenue implications.

I was even more surprised when the Secretary inferred that the MBS Review would deliver further considerable savings to the Government. Health Minister, Sussan Ley, has since clarified that this was not the Government's intention.

It is not purely about a savings measure, it is about making sure that we have a modern MBS that actually reflects modern medical practice, and it actually maintains access for patient services.

Nevertheless, given the damage caused to the Government from last year's Budget co-payment proposals and public hospital funding cuts – misguided measures that brought misery to the Government for the best part of a year – the general expectation was that the Government would play some strong suits in health policy.

That was not the case. Instead, we saw a range of modest (but welcome) announcements that remain completely overshadowed by the lingering negative effects of the Medicare patient rebate freeze and public hospital funding cuts – the ghosts of Budgets past.

The Budget, unfortunately, does not go anywhere near addressing the concerns of the AMA from last year's Budget.

There is no indication that the public hospital cuts are going to be restored. Nor is there any indication about the required changes for the indexation freeze that we are seeing for GP and specialist patient rebates.

People need to remember that the indexation freeze is a freeze for the patient's rebate. It is not about the doctor's income. It is

actually about the patient's rebate and their access to services. There is no indication that those freezes are going to be lifted any earlier than 2018.

There have also been cuts of nearly \$150 million taken out of general practice from changes to the child health checks, apparently because of 'duplication'. It is very unclear where the so-called duplication occurs. Such a change would have been better dealt with as part of the MBS Review, rather than as a hastily conceived Budget saving measure.

There is also a lack of clarity around some of the announced cuts. There was a mystery package of \$1.7 billion in cuts that was claimed to cover child health assessments, a number of dental programs, and 'flexible funds' for NGOs in the health sector. A big number, but little detail. The end result is a number of small organisations that do very good work looking after vulnerable people left wondering about their funding and their future.

The focus should have been on positives.

The AMA welcomed a range of other measures, including:

- e-health changes, including the myHealth Record, particularly the opt-out component;
- mental health plan;
- support for the National Critical Care and Trauma Response Centre;
- funding for Aboriginal Community Controlled health organisations;
- organ donation programs; and
- the Ice Action strategy.

The AMA has been invited by the Minister for briefing and clarification of issues such as Indigenous health program funding, after hours care, and preventive health.



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



'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



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

Almost \$150m ripped out of general practice



The Federal Government has slashed almost \$145 million from general practice funding in a crackdown on what it claims was duplication in child health assessments.

In an unheralded change, the Budget revealed \$144.6 million would be saved over four years by axing Medicare Benefits Schedule rebates for child health assessments which it said were already being provided by the states and territories.

The Government has also overhauled incentives for GPs to provide after-hours care, redirecting funding from the After Hours GP Helpline and the Medicare Locals After Hours Program into a new Practice Incentive Program After Hours Payment, to come into effect from 1 July.

AMA President Associate Professor Brian Owler voiced concern about the cut to child health assessment funding, saying it was premature when the Primary Health Care Review announced by the Government was yet to get underway.

“Unfortunately, we have seen near \$150 million taken out of general practice from changes to the child health checks, apparently because of duplication – although it is very unclear in my mind as to whether or not there is any duplication,” A/Professor Owler said. “The Primary Health Care Review would have obviously have been the perfect place to assess whether the child health assessments were a necessary part, and whether any changes should be made to those assessments. Hopefully, there will be an opportunity to revisit that.”

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."

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No Budget relief for stretched hospitals ... from 8

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.

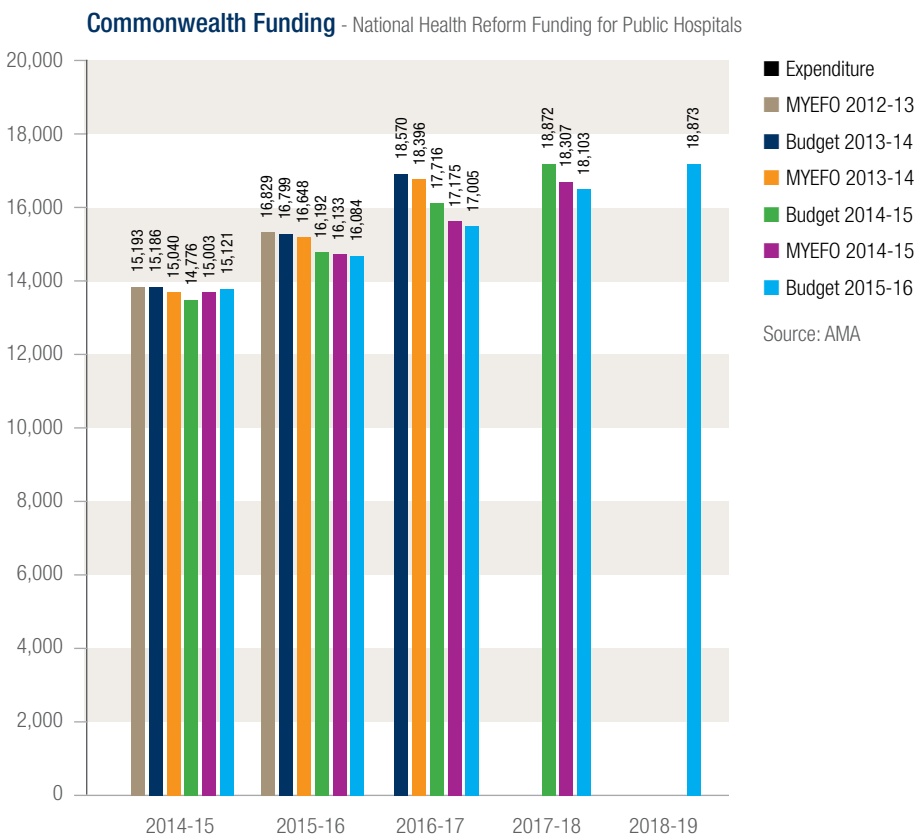
"Public hospitals and their staff will be placed under enormous stress and pressure, and patients will be forced to wait longer for their treatment and care," he said. "Funding is clearly inadequate to achieve the capacity needed to meet the demands being placed on public hospitals."

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

Reduced Commonwealth funding for public hospitals

The 2015-16 Budget has reduced Commonwealth funding for public hospitals by \$423 million over the three years to 2017-18 compared with the funding estimates published in the last Budget update, the Mid-Year Economic and Fiscal Outlook in December last year. The reductions are variable over the forward estimates and across different states and territories, with the biggest reductions applying in 2016-17 and 2017-18.





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 ... from 10

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



Research fund grants will soon begin to flow



The first grants from the much-hyped Medical Research Future Fund are due to begin flowing from the second half of the year after the Federal Government indicated legislation for its establishment would be introduced in coming weeks.

The Fund was a centrepiece of last year's Budget, but the Government delayed setting it up after failing to get the support it needed for a \$7 patient co-payment, which was to be one of many sources of revenue.

Instead, having abandoned the co-payment in the face of widespread community opposition, the Government is expected to soon establish the Fund with an initial investment of \$1 billion transferred from the Health and Hospitals Fund.

Treasurer Joe Hockey announced in the Budget that funds would soon begin to flow from the Fund, beginning with a \$10 million disbursement next financial year.

"Last year I announced the creation of the Medical Research Future Fund, which will become the biggest medical research endowment fund in the world," Mr Hockey told Parliament on Budget night. "Starting this year, and over the next four years, the Government will distribute \$400 million from the Fund, to

help our best and brightest medical researchers develop the drugs and cures for the future."

Despite the abandonment of the GP co-payment, the Government is sticking by its goal to build the Fund to reach \$20 billion in 2019-20, with many savings identified in the health portfolio tagged to flow to the Fund in coming years.

AMA President Brian Owler said it was "vitally important", after such lengthy delays, to see the Fund finally be established.

"... our difficulty with the Fund has always been the way that it's funded. We stopped the GP co-payment from going ahead and other cuts as well that were going to...go into the fund"

"It's important that we start to see the Fund first of all established, and I think it's vitally important that the Fund is established in the next few months, to give us confidence that there is a Fund...particularly for our researchers that are really struggling at the moment...to see that funding coming through," A/Professor Owler said.

While supporting the idea of the Fund, the AMA has been highly critical of the Government's initial plans to funnel money raised from a patient co-payment into it.

"The AMA and all health professionals recognise the importance of [the Fund]," he said. "But our difficulty with the Fund has always been the way that it's funded. We stopped the GP co-payment from going ahead and other cuts as well that were going to...go into the fund."

A/Professor Owler said there were already many other savings that had been made, including from public hospitals and the closure of several health agencies, that were ready to be directed into the Fund, and insisted the Government had run out of excuses not to get it up and running.

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

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

Nation maintains frontline emergency response

The Federal Government has extended funding for Australia's frontline international medical emergency response team as part of a package billed to aid and protect the country and region in the event of natural and man-made disasters.

The Government has rolled over the annual Commonwealth allocation for the Darwin-based National Critical Care and Trauma Response Centre through to 2017-18, taking funding for the group to \$64 million over four years.

The Centre, based at Royal Darwin Hospital, is set up to rapidly deploy highly-trained teams of doctors, nurses and other health professionals – equipped with all the tools, materials and supplies to operate a self-contained field hospital - to disasters and trouble spots around the country and internationally.

Most recently, it sent an Australian Medical Assistance Team to Vanuatu in the aftermath of Cyclone Pam, and has also contributed to numerous humanitarian relief efforts in the region, including helping tackle a dengue outbreak in the Solomon Islands and treating hundreds injured when Typhoon Haiyan struck the Philippines in 2013.

Health Minister Sussan Ley said the funding would support the nation's capacity to respond to natural disasters in the region.

"Our specialist Australian Medical Assistance Teams have a proud history of responding in times of international need, and the support provided to Vanuatu confirms the important work of this centre," the Minister said.

In addition to continued funding for the centre, the Minister announced the annual Budget allocation to the National Medical Stockpile – which includes vaccines, essential drugs, antidotes and protective equipment – had been increased from \$22.8 million to \$34 million.

The increase follows the release of audit report last year that recommended improvements in the management of the \$196 million stockpile to ensure it was well-placed to serve the country in the event of a pandemic.

The Commonwealth Auditor-General identified a number of shortcomings in the management of the stockpile, which comprises 42 products and more than 110 million items, despite much improvement in recent years.

Maintaining the nation's strategic reserve of medicines, vaccines and medical supplies has become a major commitment, amounting to around \$750 million in the past decade, and the



Auditor-General warned of the need to update strategic plans, strengthen oversight of outsourced storage arrangements, improve data used to manage the stockpile and test deployment arrangements.

As part of its response, the Government last year allocated \$15 million over four years to implement improvements, and Ms Ley said the \$34 million committed to the stockpile in the Budget would be used to replenish supplies to ensure the country was well-placed to respond to outbreaks of serious illnesses.

"In recent times we have seen disease threats like the bird flu pandemic and the Middle East Respiratory Syndrome outbreak, while last year was one of the worst flu seasons on record," she said. "In a time of national emergency such as an influenza pandemic or a bio-terrorist attack, the National Medical Stockpile is a key element in defending Australians."

ADRIAN ROLLINS



Govt accused of 'cruel hoax' on dental



The Federal Government has been accused of playing a “cruel hoax” on patients after confirming \$200 million had been provided for public dental services in the Budget.

In a pre-Budget release, Health Minister Sussan Ley announced a one-off allocation of \$155 million for a 12-month National Partnership Agreement on Adult Public Dental Services, supplemented by a child dental benefit scheme that would take to the total value of the package to more than \$200 million.

But the Budget papers show the Government has actually cut \$125.6 million from funding for child dental services over the next four years by lowering the rate at which it is indexed.

Ms Ley said the provision of public dental services would be considered as part of reforms of federal-state relations, and the funding would ensure care continued to be provided while those discussions were held.

“Real progress has been made in recent years towards improving access to dental services, and the Abbott Government is determined to ensure Australia continues to improve as a nation, which is why we must take hold of this once-in-a-generation opportunity for constructive reform,” the Minister said. “We want to see dental incorporated into our plans for a better integrated health system where services work in co-operation, not isolation.”

But Shadow Health Minister Catherine King condemned the Minister’s statement as “no more than a cruel hoax”.

Ms King said that, far from investing in public dental services, the Government had cut hundreds of millions of dollars out.

In last year’s Budget, the Government announced it would save \$390 million over four years by deferring the starting date of the National Partnership Agreement for adult public dental services by a year, and in last year’s Budget, \$200 million had been allocated for such services in 2015-16.

But this was trimmed back to just \$155 million in the latest Budget, disappointing health advocates concerned about poor oral health, particularly among vulnerable and disadvantaged groups.

Ms King said the figures showed that the Government had actually cut money from public dental health, rather than investing in it.

Dental health problems are widespread in the community. The Australian Institute of Health and Welfare has reported that more than half of 12-year-old children have tooth decay, and it is untreated in about 30 per cent of adults.

Ms Ley said the failure of people to care for their teeth not only harmed the health of their mouth, but placed a significant burden on the health system.

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



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



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



Damila, 5, Uganda

Don't let her drink dirty water

World Vision

**malaria, cholera, diarrhoea, intestinal worm infection,
... dirty water can kill.**

6,000 children are dying every day – and it's because they don't have clean water. So they're forced to drink water that could make them sick with diarrhoea, cholera and typhoid.

The good news is, problems like dirty water can be solved. You can help children access clean water through World Vision's Water Health Life program by providing practical and effective solutions.

From \$39 a month your support will help drill boreholes, protect water sources and provide health and hygiene training. You'll be helping communities to make long-term changes that ensure a clean water supply and basic sanitation.

Stop dirty water killing children, support Water Health Life:
visit worldvision.com.au or call 13 32 40.

Water Health Life

Basic Needs. Permanent Solutions



Budget briefs



Organ and Tissue Donation

Despite programs to encourage more donors there has been a decline in the rate of organ donations over the past two years according to ShareLife.

The Australian Government hope to improve organ and tissue donation rates by providing \$10.2 million over the next two years. The funding will go towards delivering clinical education to hospitals, developing a new Australian Organ Matching System and enhancing the Australian Organ Donor Register.

Currently around 1500 people are on Australian organ transplant waiting lists at any time. One organ and tissue donor can transform the lives of 10 or more people.

The Government will also continue to provide minimum wage for up to nine week to employers of people who have taken leave to donate organs as part of the Supporting Leave for Living Organ Donors Programme. The aim of the Programme is to help alleviate the financial stress that can be experienced by living organ donors by reimbursing employers for payments or leave credits provided to their employees for leave taken to donate an organ and recover from the procedure. The Government announced that the Programme will continue for the next two years.

Tropical health

The Government will provide \$15.3 million over four years to invest in research into exotic disease threats to Australia and the region.

The National Health and Medical Research Council will receive 6.8 million to support research into tropical diseases, build

collaboration and capacity in the health and medical research workforce, and promote the translation of this research into health policy and practice.

The Government will also provide \$8.5 million to establish an Australian Tropical medicine Commercialisation grants program to support Australian researchers to commercialise therapeutics and diagnostics in tropical medicine.

National Drugs Campaign

The Government will provide \$20 million over two years to renew the National Drugs Campaign. The Campaign aims to reduce young Australians' motivation to use illicit drugs by increasing their knowledge about the potential negative consequences of drug use. It is a media campaign to promote the avoidance and cessation of illicit drug use.

The campaign will focus on raising awareness to young people and their parents about the harm caused by illicit drug use, in particular methamphetamine also known as ice.

Royal Flying Doctor Service

The Government has committed additional funding to support the Royal Flying Doctors Service to deliver emergency and primary health care services to people in rural and remote communities of Australia.

The Service will receive an extra \$20 million as part of the Government's commitment to rural and remote communities.

KIRSTY WATERFORD



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

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 Tuesday’s 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, with clear inference that this would be a budget savings exercise.

RADIO

A/Prof 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/Prof 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.

TV

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

AMA President A/Professor Brian Owler said the Budget does not address cuts made to health in the 2014 Budget, and there’s no indication that public hospital funding will 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. There are no indications in the budget that cuts are going to be restored.

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



AMA in action



It was all hustle and bustle at Parliament House this year on Budget night. AMA President Associate Professor Brian Owler and AMA Vice President Dr Stephen Parnis faced the media scrum to discuss the AMA's take on the Health Budget. A/Prof Brian Owler said that the GP co-payment may be gone, but the health system is still struggling.

A/Prof Owler and Dr Parnis held a doorstep the following day to clarify the AMA's take on the Health Budget. Both were met by a horde of media keen to report AMA's view.

Dr Parnis spent post-Budget day busy with media interviews including Chanel 10, with whom he spoke to about cuts to dental care. A/Prof Owler squeezed in an appearance post-Budget, between media interviews, at the Hirmaa Conference to discuss the relationship between private health insurance and the health system.

KIRSTY WATERFORD



AMA President Associate Professor Brian Owler reacts on national media to the Budget minutes after its public release



A/Prof Owler addressed the Hirmaa conference in Canberra the day after the Budget



A/Prof Owler and Dr Parnis held a doorstep at Parliament House the day after the Budget was released



A/Prof Owler and Dr Parnis with Dr Bronwyn King radiation oncologist and anti-tobacco campaigner



AMA in action



AMA Vice President Dr Stephen Parris talking about cuts to dental care on TEN News



A/Prof Owler discussed the relationship between private health insurance and the health system at the Hirmaa Conference



A/Prof Owler said that “unfortunately, we have seen in the Health Budget last night no indication that the MBS freeze will be lifted any earlier than 2018”



A/Prof Owler said the cost of delivering quality general practice care continued to rise



A/Prof Owler said “there is nothing in the Health Budget to indicate that the Government will restore public hospital funding”

AMA in action



A/Prof Owler tells media the GP co-payment may be gone, but the health system is still struggling



A/Prof Owler told media on Budget night that the AMA would seek urgent clarification about the objectives of the MBS review



A/Prof Owler told media "we are left with the lingering effects of the 2014 Budget"



Television camera crews in Parliament House on Budget night in Canberra