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**Transcript:** AMA President Professor Brian Owler, 2SM Breakfast, 5 May 2016

**Subject:** Federal Budget 2016, Medicare freeze

**GRANT GOLDMAN:** Now then, doctors are very concerned that they may no longer be able to bulk bill patients because the freeze on the Medicare rebate has been extended. Now patients could face an extra \$14 per visit as a result. Pathologists are also worried budget cuts will result in bulk billing incentive payments being scrapped as well. Joining us on the line in this pretty confusing time, medically speaking I suppose - the AMA President Brian Owler. Good morning Brian.

**BRIAN OWLER:** Good morning.

**GRANT GOLDMAN:** What do you make of all this?

**BRIAN OWLER:** Well, it's very disappointing. Yet again we've got this extension of the Medicare rebate freeze for another two years.

**GRANT GOLDMAN:** Yeah, a lot of people I've spoken to didn't even know there was a freeze on. But maybe we could go back to that? A freeze was introduced by Labor for nine months in 2013, was then extended by the Coalition to four years, it will now apply until 2020. So you would have to think that surely a lot of these practitioners won't be able to hold on?

**BRIAN OWLER:** No, that's right. And I think... people have kept pointing to the fact that the bulk billing rate hasn't really changed, it's still just over 80 per cent. But we know that there are many practices that have said okay, we'll absorb this change in the rebate. But at the end of the day with staff costs going up, with the cost of lease for premises and other equipment etcetera going up, doctors have no choice but to actually start to increase their fees. And with the rebate frozen the only way they can do that is to pass the cost on to the patient.

**GRANT GOLDMAN:** Yeah.

**BRIAN OWLER:** And so...

**GRANT GOLDMAN:** [Talks over] and that will happen.

**BRIAN OWLER:** That's right. We've seen today that Primary Health Care, one of the large chains of practices that do bulk bill, have announced that they are going to move to charge patients. And so I think we've reached the tipping point now. Because with this extra two years, it's very clear that practices just can't hold on any longer. And it's going to mean, well from this announcement, another billion dollars out of the pockets of patients.

**GRANT GOLDMAN:** You know what's interesting to me? I've never been able to bulk bill with my GP. I'm one of those people that sticks with a GP and he's a part of a medical centre there and he's never bulk billed whatsoever, ever.

**BRIAN OWLER:** No, and it's an issue for you as well. Because look, there are many doctors who don't bulk bill and they charge a fee and they do that because of the type of practice that

they work in, they want to try and spend more time with their patients and if people are happy to pay for that then...

**GRANT GOLDMAN:** [Talks over] I'm happy to pay for that because I get a better service. And not only that, the payment I've been able to pocket is usually around the \$30 mark somewhere.

**BRIAN OWLER:** Yes, and with the freeze of the rebate... I mean people've got to remember it's the patient's rebate, not the doctor's rebate. So the amount that you're getting back from the Government each time that you see that doctor is now static. And it's now been static, well essentially, for seven years. And so the value of the Medicare rebate is constantly being eroded and your out of pocket expenses are going to have to keep increasing.

**GRANT GOLDMAN:** Yeah. Now the Government yesterday stopped an attempt by Labor and the Greens to disallow the changes which Pathology Australia said would see a new \$20 fee for blood tests introduced from July. Now I'm a former cancer patient and you continue that journey as you know by being checked a lot. So that means \$20 a fee, that's going to happen quite a lot for me and others.

**BRIAN OWLER:** Yeah, and we know there's a lot of very good evidence to say that when you put financial barriers in place for people having tests or treatments, then there are many people in the community that can't afford that and actually then go without. Particularly low income earners. And so we actually end up with people that are going to be sicker and more likely to end up in our emergency departments. So for all of the rhetoric about you know, investing in primary care, making sure that people are well and in the community and out of hospital, the policies seem to be exactly the opposite.

**GRANT GOLDMAN:** Yeah, I'll tell you what, some areas, some GP chains have already decided to stop bulk billing. They moved pretty quickly, didn't they?

**BRIAN OWLER:** Well they did. We know that they have been considering it for a time and the AMA ourselves, we've been approached by many practices to help them transition from bulk billing to start to charge a fee. And I suspect that the demand for that advice is about to really go up. So as I said, this announcement in the budget on Tuesday really I think is a topping point. It signals to practices that it's going to last now to 2020 at least, the freeze, which means they're not going to be able to hold on any longer and they have to transition now from bulk billing to charging patients a fee.

**GRANT GOLDMAN:** Yeah, we'll get some calls on that no doubt when they realise what is about to happen. Thank you Brian.

**BRIAN OWLER:** It's a pleasure.

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5 May 2016

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