

# Australian Medical Association Limited

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**Transcript:** AMA President Dr Michael Gannon, ABC News 24, 6 September 2016

**Subjects:** Medicare Benefits Schedule, diagnostic imaging, Medicare rebate freeze

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**ANDREW GEOGHEGAN:** The Federal Government says medical costs may be blowing out because patients are visiting GPs to get documents they could get automatically. A review of the Medicare Benefits Schedule has found many patients are visiting the doctor to get sick certificates, repeat scripts or routine test results, causing the costs to surge. The Health Minister Sussan Ley says it's important to ensure that money for health is spent effectively.

[Excerpt]

**SUSSAN LEY:** The Budget is the Budget, the economic circumstances we face are what they are, and you know, savings that may be found in one area of the health system certainly can offset expenses in another area of the health system and vice versa. So we will have all of that in front of us as we make new health policy into the future. I'm doing this exercise to reform the Medicare Benefits Schedule, that's one reform, and to have better outcomes for patients, that's the Health Care Homes. So, I don't want to see inefficiency in the health system, and part of my job as Health Minister is to make sure that where we see inefficiency we reinvest it for the benefit of patients. So, you're quite right. If the Government is paying effectively too much for small appointments that aren't necessarily adding to a person's overall health, particularly if they have chronic conditions, then that money does need to be reinvested.

[End of excerpt]

**ANDREW GEOGHEGAN:** Well, let's get more on this, and we're joined from Perth from the AMA President Dr Michael Gannon. Michael Gannon, thanks for joining us. Now, is this an issue that GPs complain to you about? Could their time be better spent?

**MICHAEL GANNON:** GPs are very busy and we want to use their time as effectively as possible, but just even listening to the Minister again, we always have this story about the need to repair the Budget and think about health savings. We support the MBS review, but general practice is simply not the problem. It represents only 6 per cent of the cost of the health system.

**ANDREW GEOGHEGAN:** So where do the problems lie then? Where would you find the cost efficiencies?

**MICHAEL GANNON:** Well, I think if we look at the data in the MBS Review, we've seen this morning a lot of talk about the need to visit GPs, for example, for repeat prescriptions and that being not a particularly worthy area. The reality is that this represents a health promotion opportunity every time you walk in to see a GP, and if you are walking in to get your blood pressure tablet prescription, it's a time to check

your blood pressure, it's a time to see whether you need diabetes screening, to see whether there have any symptoms suggestive of heart disease. We support the MBS Review. We support the quality use of diagnostic imaging like x-ray and ultrasound; we support any initiatives to see a more efficient health system. But continuing to bash general practice as an inefficient or expensive area, it's simply not right.

**ANDREW GEOGHEGAN:** So you're saying that that consultation, even if may be a repeat consultation is important - because I might just refer you to the President-elect of the Royal Australian College of General Practitioners, Dr Bastian Seidel, who was - appeared on *News Breakfast* this morning, and he said essentially he's spending at least two to three hours every day writing certificates and medical reports, and it's tedious and perhaps he's wasting time.

**MICHAEL GANNON:** Well, I think that there's no question that there's a massive burden of red tape that falls on GPs, and they could certainly - they've got better things to do than filling out forms. When it comes to sickness certificates, there's scope for many employers to say, 'You don't need a certificate for less than two days off work'. We know that nurses and pharmacists can sign plenty of those. But if you're in a situation where you're having your fourth run of sick days off in a winter, well there's an opportunity there to look at your general health, to talk about preventative issues like vaccination, to really get to the bottom of why you might be getting sick so often.

**ANDREW GEOGHEGAN:** That's fair enough. What about referrals, though? Is that something that could be reformed, given that essentially it just involves having to visit the doctor to write a referral and that's the extent of it?

**MICHAEL GANNON:** Andrew, the need for referrals is a common gripe from GPs, other specialists and the patients who need them. The way we've set up our health system in Australia for more than a generation is that we give GPs a gatekeeper role in determining who actually needs to see a specialist, who can capably be looked after by a GP. I think that we can always look at the rules for referrals. But I think when you look at health systems around the world that don't have that requirement to go through a GP, they're often a lot more expensive and often end up with lower quality consultations from other specialists.

**ANDREW GEOGHEGAN:** So you're saying it sort of acts as a screening process, essentially as to whether it's worthy or not?

**MICHAEL GANNON:** Yeah, there's no question about that, and GPs do have the ability, if they want to, to write indefinite referrals to specialists, especially for chronic conditions. Sometimes that's appropriate. We strongly support the work of the MBS Review. There's so many little rules that could be fixed. But what we must not end up with is yet another cleave out of general practice, the most efficient part of the whole health system.

**ANDREW GEOGHEGAN:** I might just bring up another issue that's been raised in this interim report of unnecessary diagnostic imaging; is that a concern to you?

**MICHAEL GANNON:** Very much so. There's a great expense to all these tests, and when you're talking for example about x-ray there's potential health risks in radiation

exposure. We support the quality agenda of the College of Radiologists. We support the use of guidelines to better inform GPs and other providers exactly who does need which imaging for which condition. The part of the profession that is in charge of that, the College of Radiologists, we very much support their desire to make sure that the right referrals are made for the right conditions.

**ANDREW GEOGHEGAN:** And of course the Government is looking to remove some bulk billing incentives from diagnostic imaging and pathology services from next year that have your support, would that go part the way to solving that problem?

**MICHAEL GANNON:** Well, quite the opposite, Andrew. We worry about removal of bulk billing incentives. What we must do in this country, and there wasn't enough of it during the election campaign, unfortunately, is start to have grown up conversations about how we fund the growth in health services that's inevitable as the population ages. We need to work out ways that don't represent a barrier to care for the most vulnerable in our community, poor people who will defer having a blood test or having an ultrasound even with small, out-of-pocket expenses. But equally, how we work out ways of funding the health system, those that can make a contribution to do so.

**ANDREW GEOGHEGAN:** So you're saying perhaps the removal of those bulk billing incentives would discourage some people from visiting the doctor then?

**MICHAEL GANNON:** Well we know this, and there's the evidence to suggest that. Even the most modest out-of-pocket expenses of between \$5 and \$10 are enough to make the most vulnerable in our society defer filling prescriptions, having blood tests, having diagnostic imaging. We've got to get that balance right, where those who can afford to pay do make a contribution to their healthcare, but make sure that the neediest in our community don't defer care because they simply can't afford it.

**ANDREW GEOGHEGAN:** And Michael Gannon, an ongoing issue for the AMA, and obviously also for the Federal Government, is the issue of lifting the freeze on the Medicare rebate indexation. Have you had any further talks with the Health Minister in regards to that?

**MICHAEL GANNON:** No, I haven't spoken to the Minister again since Cabinet met. The Minister knows the position of the AMA. We welcome her appointment to the ERC, the real working parts of the most senior ministers in Government. I've made my feelings very clear to both Minister Ley and the Prime Minister that I want them to go in there and fight for the health services of ordinary Australians. Getting Sussan Ley in there with Finance and Treasury is a chance for her to help make these arguments. Health spending is an investment, not a cost.

**ANDREW GEOGHEGAN:** But you've had no indication from the Minister about a possible date to lift that freeze?

**MICHAEL GANNON:** No, we haven't had any specific undertakings. We've had - I think the Prime Minister's indicated that he understands the arguments. He's listening, he's taking a much greater interest in the health portfolio in recent months compared to prior to the election. I welcome the change in his language from even the early weeks of the election campaign. It's time to look at those parts of the health budget that end up

saving money. Health prevention actually prevents much more expensive care in public and private hospitals downstream.

**ANDREW GEOGHEGAN:** AMA President Dr Michael Gannon, thanks very much.

**MICHAEL GANNON:** Thank you Andrew.

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