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Transcript: AMA President Dr Michael Gannon with Laura Jayes,
 ‘The Latest’, Sky News Live
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Subjects: Election, Medicare, health policy for new Government

LAURA JAYES: What has appeared out of this election campaign is a greater focus on health. The Government - the Prime Minister, in fact - today and yesterday indicating that whilst there was a scare campaign that worked - an effective one, on the privatisation of Medicare - the Prime Minister has admitted that the Coalition needs to do more to reassure the electorate that the Government is committed to health, hospitals, and Medicare funding.

Let's bring in Dr Michael Gannon now. He's the President of the AMA. He joins me from Perth. You've been a very busy man, Dr Michael Gannon. I spoke to you before the election. We still don't know a result. But first of all, I've got to ask you about this Medicare text message, the privatisation text message. It looked like it came from Medicare. There was threats of privatisation. That simply wasn't true, was it?

MICHAEL GANNON: No, it wasn't true, and it was part of a scare campaign that seemed to work. But what really happened here was that the Coalition had left the fertile ground for the scare campaign with its co-payments, with some of its health policies. It's very clear that Australians value their health, and many of them voted on the grounds that they were worried about their health care going forward.

LAURA JAYES: Malcolm Turnbull used the same phrase, Michael Gannon, that there was fertile ground. Are you talking about largely the 2014 budget, where there was discussion- actually, policy, for a Medicare co-payment?

MICHAEL GANNON: Well, there were two models of co-payment, and both of them were rejected by the AMA, rejected by the medical profession, and would have been rejected by the people. Neither model built in protections for the most vulnerable in our community. Neither model recognised the fact that for the neediest in our community, even coming up with a few dollars out of pocket is enough for them to defer important health care. We understand the Government's desire to constrain growth in health spending, but neither of those models would have worked, and I think they left the ground for what we saw during the election campaign.

LAURA JAYES:

You say you understand the Government's need or desire to constrain health funding. So can you identify any areas in which they might be able to save money, save the budget, and - even if it's not going to the budget bottom line - could perhaps hypothecate that as spending into other areas, like unfreezing the rebate for doctors?

MICHAEL GANNON:

Well, whatever model we come up with, we need to work out ways to protect those who can't otherwise fend for themselves. We need to give GPs the ability to bulk-bill those patients that otherwise don't have the ability to look after themselves. The scientific evidence is there that some people, faced with even nominal amounts of money, will defer visits to the doctor. We know that just even small out-of-pocket expenses are enough for people to not go and have blood tests, to not go and have x-rays or ultrasounds, to not fill prescriptions. What we need in our health system, the way to protect universal health care, is to work out methods to protect the neediest in our community, but work out fair methods where other people can potentially contribute more to the cost of their health care.

LAURA JAYES:

Okay, so the Government at the moment has four policies that differ from Labor. One of those is what you've been critical of, and you described as a potential co-payment by stealth, and that is the freezing till 2020 of the Medicare rebate for doctors. Would that go a long way to satisfying your anxieties, if the Government relooked at that? It will cost them \$2 billion in the Budget, but if they gave you a timeline, an earlier timeline, if they did it two years earlier, would that be acceptable?

MICHAEL GANNON:

Well, everyone's had their chance to vote now. We're going to get the Parliament we're going to get, but- and it's not particularly likely, I don't think, that the Government will resubmit themselves to the polls. They might be very wary about doing that. So I suspect that we've got three years to deal with the Parliament that we have. But certainly, unravelling the freeze would go a long way to assuaging concerns that the AMA and the medical profession have. That's one element of Labor policy that was stronger in the election campaign. That would be a fantastic start to rebuild the trust that the Prime Minister talked about yesterday.

LAURA JAYES:

Is it your commitment as the relatively new President of the AMA to work with the Government to actually identify savings as well as, you know, where you say there needs to be a safety net for the more vulnerable.

That really needs to be the focus now, doesn't it? Because it has been pointed out, and maybe you don't agree with this that, you know, if we don't have a healthy budget, if we don't have that buffer from external shocks from China or global uncertainty it's actually - when we do have an economic downturn - it's those that can't fend for themselves, those that, you know, are on welfare that will suffer the most. So do you have that in mind as part of your holistic thinking, if you like?

MICHAEL GANNON:

Well, I would agree that we as a nation can't afford to live on the credit card forever so that means that groups like the AMA that ask for increased spending in the area of health also need to come up with solutions, and they need to be part of a responsible and mature debate about funding the health system. We know that ...

LAURA JAYES:

[Talks over] Forgive me for saying this, Dr Gannon, but your group is often identified with, you know, putting your hand out and identifying where money needs to be spent rather than where savings can be made. So, do you need to, perhaps, redouble your efforts on the savings side?

MICHAEL GANNON:

Well, we're not experts when it comes to the economy and we're not...

LAURA JAYES:

[Interrupts] No, no. But savings can be made in health, that's what I'm saying.

MICHAEL GANNON:

Oh, there's no question that savings can be made in health but I guess what we've been very interested in doing in the AMA is promoting this argument that health spending is an investment in the community, but we're not silly enough to think that there's an unlimited amount of money.

We know that most of the State governments now have health spending at more than 30 per cent of their budget, they have narrow tax bases, and they're struggling to fund health. There are elements of the health system that the Commonwealth pays for directly, we know that there is growth year on year in the number of GP services.

But what we would say to government is that there are areas of the health system that actually represent fantastic value for money; in areas like preventative health, in areas like general practice. They are underfunded and they are not only an investment in the health of our nation but they're also an investment in our economic productivity. We would like to see whoever's in charge of health in there making these arguments in ERC at the highest levels of Cabinet.

LAURA JAYES: Now, to the Health Minister, Sussan Ley. I'm not sure how much time you've spent with her, time you've spent negotiating with her behind the scenes, because, as I point out to our viewers once again, you're a relatively new President of the AMA, but from what you've seen from behind the scenes and in public, is she a good negotiator? Is she a good Health Minister?

MICHAEL GANNON: I've always enjoyed my interactions with Minister Ley. She's a forceful advocate on behalf of her constituents in rural New South Wales and I know she cares about patients in Australia; she has a very balanced view of the system, maybe to her detriment, at one point leading up to or early in the campaign, she called for the Medicare freeze to be unravelled. That's a really important thing for her Government to look seriously at, but that should be just the start of a wider conversation on how we fund our health system. Unravelling the freeze is the key tenet of AMA policy, but it's only the start. We want to be part of those conversations about how we seriously reform our health system, how we pay for it well into the medium term.

LAURA JAYES: Have any of those discussions started as yet? Or do you think the Government's still concentrating on forming Government before they start those conversations?

MICHAEL GANNON: Look, I understand very much why the Prime Minister, the Opposition Leader, in fact everyone who's involved is very keenly looking at the seat counts. The election's on a knife edge. It's not great for our democracy that we're living with this uncertainty but, look, maybe the new Parliament is an opportunity for consensus; maybe the new Parliament is an opportunity for both sides of politics to come together and come up with good solutions. I often think best public policy comes when we head to the centre and maybe there's that opportunity in the new Parliament.

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