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Transcript: AMA President Dr Michael Gannon, Sky News, 8 May 2017

Subjects: Federal Budget and the Medicare freeze

SAMANTHA MAIDEN: You're watching the *Morning Shift*, and of course one of the biggest stories out in the Budget tomorrow is going to be what the Government does to the Medicare rebate, which has been frozen since 2013. This is of course the fee that taxpayers pay doctors to see patients, it's been frozen at \$37 since the Labor Government did that in the Budget, and that is leading to a big increase in the number of patients that are paying out-of-pocket costs. And also some would argue in some areas a decline in bulk billing.

Now joining us now to discuss what's going to be happening in the Budget is the AMA President Michael Gannon. Good morning.

MICHAEL GANNON: Good morning.

SAMANTHA MAIDEN: So we're hearing that the freeze will come off, the Government hasn't confirmed this yet but the suggestion seems to be that it will be phased, so we might start with children first and pensioners. What would be the impact of that if they didn't go to take the freeze off for all consultations right from the start?

MICHAEL GANNON: Look, we will welcome any unfreezing because it's just gone on for too long. The Minister will not doubt the importance - having discussed it with me many times - the importance of unfreezing the rebates to see all specialists not just GPs. But in the fiscal climate we're in, we acknowledge and we understand that it's unlikely we'll get everything we've asked for.

SAMANTHA MAIDEN: Take us through this, though, because in many ways this is a policy thread that runs through both the Abbott Government and the Turnbull Government right from the start. They have had this freeze in place that, admittedly Labor put in place, we had that huge debate over the \$7 co-payment, and then it was a \$5 co-payment to see the GP that ultimately went nowhere. And all through this period, this fee has remained frozen at \$37. What's been the impact of that for patients and for doctors?

MICHAEL GANNON: Well the reality is that many doctors have said that they can't make a living charging \$37. It's the patients rebate, it's their contribution to the cost of seeing a GP. Other specialists, they get more back. But a lot of GPs have said that they can't afford that so it's put pressure on bulk billing. But sadly what we've seen is not that GPs have walked away from bulk billing their neediest patients, but they've often just moved their practices. So this has actually meant that it's harder and harder for people to make a living where there's high rates of bulk billing, and many GPs, many other doctors have literally decamped and moved to other areas.

SAMANTHA MAIDEN: So you're saying that doctors have literally pulled their services out of some suburbs where there's high rates of bulk billing because they can't make a living?

MICHAEL GANNON: Yeah, we've seen that, and what we've also seen is that when young doctors are choosing their career paths a lot of them are deciding not go into general practice. Now we know that our GPs and the work they do provides enormous value for money for the Australian health care system. Huge amounts of secondary prevention, the value in that advice that stops people making suicide attempts, it stops people having heart attacks and strokes. That enormous value is at risk when people decide "I don't see a future in being a GP, I want to work in another area of medical practice."

SAMANTHA MAIDEN: But for the patient, the issue that interests me is that the Treasurer has started belatedly- first of all, we were told this is a housing affordability budget, then we were told it was an infrastructure budget, now we're being told it's a cost of living budget, which seems to partly plug into this debate about Medicare. If they are to lift the freeze, particularly in a phased way, but frankly if they were to lift the freeze for everybody is it really going to make any sort of impact when you see a doctor? I mean, are you really going to be anything better than perhaps \$2 a consult better off in terms of, like, an out of pocket fee? I mean, is it really going to make any sort of cost of living impact for people when they see a doctor?

MICHAEL GANNON: I think that what we need to do is to make the change now. We can't undo the harm that was done by the 2014 budget.

SAMANTHA MAIDEN: And how much is it worth?

MICHAEL GANNON: We're only talking- I mean I've often heard 60 cents raised. And of course 60 cents is not going to make a...

SAMANTHA MAIDEN: [Interrupts] So it's to be 60 cents less when you go and see a doctor, if you're paying out of pocket? Obviously if you're bulk billed you're not paying an out of pocket fee.

MICHAEL GANNON: Well that's right...

SAMANTHA MAIDEN: [Interrupts] That's not really going to help people's cost of living much, is it?

MICHAEL GANNON: No it's not, but it's important to make the changes now and it's important that doctors maintain that ability to identify their neediest patients and make a decision to bulk bill them. It's important that we maintain those services, remembering that between 30 and 50 per cent of specialist consultations are bulk billed. The rate for general practices is about 85 per cent.

SAMANTHA MAIDEN: Have you got any information from the Government of what the time period would be when they'd bring in other people other than pensioners and kids in terms of having the Medicare freeze lifted for all patients?

MICHAEL GANNON: Well, the ideal situation would see everything re-indexed across the entire profession. We've been asking for that, we know that the Government made a promise on diagnostic imaging. We know that pathology has been frozen for nearly 20 years. We need investment across the health system, but we're also mature enough to know that it's not all going to happen tomorrow in the Budget.

SAMANTHA MAIDEN: And have they given you any indication, though, of the timeframe?

MICHAEL GANNON: Well, we're hopeful that as much as possible will be unravelled in the next 12 months. We're hopeful that we will see re-indexation across the entire MBS, across pathology, across diagnostic imaging. We also have been led to believe that that's unlikely to be achievable in this budget.

SAMANTHA MAIDEN: And what about- do they clue you in on how they're going to pay for this? Because there's been speculation of an increase in the Medicare levy or Medicare charges, that high income earners might lose the deficit levy but face an extra impost in terms of Medicare levies?

MICHAEL GANNON: The AMA doesn't really comment on how the Government should raise the money, we don't believe that's our job. And we haven't heard anything. We haven't specifically called for an increase in the Medicare levy, the only thing we have said if there is an increase in the Medicare levy, it needs to go in to health. It can't be another tax by

another name. So we are hopeful that we will see some of the carnage of the 2014 Budget undone. We hope we'll see real investment back in the health system.

SAMANTHA MAIDEN: Okay, and just before you go. You've also- there's some story out today in relation to what GPs are going to do to help tackle domestic violence in the community. What's going to change there?

MICHAEL GANNON: Well, it's really important that GPs understand their specific State and Territory law, because it does vary across Australia. But the changes mooted in New South Wales are similar to what you might have in child abuse in terms of GPs being asked to make mandatory reports, other doctors to make mandatory reports even if that's not with the consent of the person being injured or harmed. We welcome these changes. Doctors need to have a higher suspicion- a high index of suspicion about domestic violence issues, injuries, a history that doesn't quite make sense. Often it will be- a patient will find that the only person they can trust to disclose these issues will be their GP. So we need to recognise the interface with drug and alcohol issues, with mental health issues, family violence sits behind a lot of these presentations to GPs, to emergency departments, to other doctors.

SAMANTHA MAIDEN: Okay, that's a big change. Thank you very much for your time today and good luck tomorrow with getting the Medicare freeze lifted.

MICHAEL GANNON: Thanks.

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