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Transcript: AMA President Dr Michael Gannon, 5AA, 17 January 2017

Subjects: Medicare freeze

TONY PILKINGTON: President of the AMA, Dr Michael Gannon, joins us now. Michael, good morning. How are you?

MICHAEL GANNON: Good morning, Tony. How are you?

TONY PILKINGTON: Pretty dumb question to ask a doctor, you know. "G'day, how are you feeling?" Michael, the AMA, you're upset about the fact that the Medicare freeze is still in place. You're saying that it's costing doctors and subsequently us, the patients, more money.

MICHAEL GANNON: Well, it's very important to make very clear that this is the patients' rebate. But the reality is that many doctors are recognising the limited means of their patients, recognising their vulnerability, and will choose to bulk bill them.

The AMA's never argued that it's not appropriate for doctors to levy an appropriate fee for their services, and long before this Government, the MBS rebate lost contact with the true cost of providing health care for GPs and other specialists.

But it is a fact that a lot of doctors in selected circumstances, or indeed for a majority of their patients, will elect to bulk bill. That's simply becoming unsustainable, with the extension of the freeze potentially on to 2020.

TONY PILKINGTON: The thing's been reviewed, hasn't it, by the outgoing Health Minister Sussan Ley. I mean, have you been given any indication by her or by the Government or anybody in Canberra that they will in fact review the Medicare freeze?

MICHAEL GANNON: I think they're reviewing it on a continuous basis, and both Minister Ley and other senior members of the Government have indicated their moral desire, if you like, to unravel the freeze. So one positive thing you have to say about this Government is that they've been united in seeing this as a Budget measure, and staying fairly strong.

What the AMA would say is that these costs are an investment in the health of the community, and what we want more people in this Government to understand is that it's an economic investment in the future. We want to see people capably looked after by GPs, other specialists in the community, not deferring care so they get sicker, ending up in hospital, which I can tell you is a lot more expensive.

TONY PILKINGTON: How soon do you think the Government will act on the review? I mean, the review is about to be completed. It was instigated by the outgoing Health Minister Sussan Ley. Have you got any indication at all as to how long we're talking about? Are we talking about months? Are we talking about years? I mean, what's the scenario?

MICHAEL GANNON: Well, just to clarify things, there's two separate things you're talking about. There's an ongoing MBS review, which is looking at all 5500 item numbers on the schedule. Now, included in that review are a pile of operations that we simply no longer do. There are a number of procedures that are significantly undervalued in terms of the cost of

providing the care, and equally, there are some procedures that are overvalued, bearing in mind that the MBS schedule has been played with and tinkered with [indistinct] one extent or another, so a lot of procedures reflect what things looked like in the 1970s. That's a completely different issue to the freeze on patient rebates.

But to Minister Ley's credit, she has consulted deeply with working doctors at the coalface about the MBS review. There's the opportunity, with Minister Ley being replaced, to look at the freeze on patient rebates. They affect GPs more than other specialists, but they really are diminishing access to care for some of the neediest in our community.

TONY PILKINGTON: We're talking to Dr Michael Gannon, the President of the AMA. Michael, you would agree though that some practices are saying, look, if the Medicare rebate will not increase until at least 2020, some practices - not all, but some - are saying you, the patient, will be paying new or higher co-payments every time you visit your local GP.

MICHAEL GANNON: Well, that is certainly the case, and that is almost inevitable as other costs are increased. I run a private medical practice, and the cost of living for my staff goes up each year. The cost of my rent goes up each year. The cost of utilities like power goes up each year, and then there are expenses that are unique to medical practice, like professional indemnity insurance. And that's just inevitable, like everything else, but the cost of business goes up.

So what do you do? You either suck it up or you pass the costs on to your customer. Now, what we would love to see is the ability for doctors to, on a case by case basis, recognise that some people do fall on hard times. Some people will be of limited means the whole time. We can't have a situation where the most vulnerable in our community will defer important visits, important tests simply because they can't afford them. That's the reality for the neediest in our community.

TONY PILKINGTON: That's the worst case scenario, Michael, is that now people are thinking I maybe need to go to the doctor, but I just can't bloody well afford to do it.

MICHAEL GANNON: Yeah, and I think that what we're seeing from the Government with their Health Care Home initiative is that, in some instances, they're acknowledging the value of GPs. They're acknowledging the value of preventative health care, nipping chronic disease processes in the bud. If you see someone and watch their blood pressure and watch their cholesterol and talk about aspirin, that's a fantastic investment in stopping someone having a heart attack, ending up in hospital, needing weeks and weeks of rehabilitation - these little investments that we can make that sometimes don't fit with a short-term fiscal view.

TONY PILKINGTON: It's 16 past nine. Michael, before we leave you, how quickly would you like to see the Government move on this? Are we talking weeks? Are we talking months? Are we talking next year? When?

MICHAEL GANNON: Well, we will be putting together our Budget submission in the next couple of weeks. But we think that it is a great opportunity for a new Minister to make a fresh start. So in many ways for many in the health professions, this represents a stumbling block to - for a genuine appetite to cooperate with this Government on reform. Unravelling the freeze would be a sign of good faith with doctors in Australia and their patients.

TONY PILKINGTON: Good on you, Michael. Thanks for your time this morning. I know you're busy. You made the points well. Enjoyed talking to you.

MICHAEL GANNON: Alright. Pleasure, Tony.

TONY PILKINGTON: That's Dr Michael Gannon, who's the President - sparky young bloke
- President of the AMA.

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