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SPEECH TO THE NATIONAL PRESS CLUB
CANBERRA
WEDNESDAY 22 JULY 2015
AMA PRESIDENT PROFESSOR BRIAN OWLER

***Check Against Delivery

I acknowledge the traditional owners of the land on which we meet, and pay my respects to elders past and present.

Twelve months ago, I stood here for my first Press Club address. I outlined the strengths of our health care system - the foundations that make the Australian healthcare system one of the best in the world.

I talked about universality, equity of access, the sanctity of the doctor–patient relationship, a balance between private and public medicine, and the high level of training of those within the system, especially our doctors.

I reminded our politicians, our doctors and healthcare workers, and our community that these foundations must be preserved. They cannot be taken for granted.

I also put the Government on notice that the AMA and the medical profession would stand up and fight to oppose policies that were bad for our health system and bad for our patients.

I am proud to say that we lived up to that promise, and saw off a number of the worst elements of the 2014 Budget.

After the 2014 Budget, the Australian healthcare system was under enormous threat from an attack on general practice and a withdrawal of public hospital funding.

We successfully opposed and defeated the GP co-payment proposals - both mark 1 and mark 2.

The AMA, along with the Colleges and other health groups - and with the support of hardworking GPs and their patients - stopped the unfair $7 GP co-payment, the changes to level A and B rebates, and the $5 cuts to Medicare rebates.

These policies undermined the foundations of our healthcare system.

They challenged equity of access and universality, and unfairly disadvantaged the sick, the elderly, and the young. They undermined preventative health care.

We opposed these policies because they were bad policies.

The AMA knows the importance of quality general practice, and we stand up for GPs.

This week is AMA Family Doctor Week. We put the spotlight on GPs, and this year the spotlight is very bright.

The AMA acknowledges the outstanding contributions of grassroots GPs in successfully opposing the Government’s bad policies.

If anyone, particularly our politicians, had any doubt about how much people value their GP, they only have to remember the events of last summer.

Local GPs spoke to their patients and they galvanized their communities, who went into action.

People know what an important part they play, not only in our healthcare system, but also in our lives as individuals.

People value their GPs - their family doctors. It's time that the Government did as well.

Despite the *mea culpa* of the Prime Minister, and the installation of a new Health Minister, our healthcare system remains under threat.

The freeze on indexation of patients' Medicare rebates is still in place. The hangover from the 2014 Federal Budget lingers.

As I am speaking, the leaders of State and Territory governments are meeting in Sydney with the Prime Minister to discuss, among other things, the future funding arrangements of our public hospital system.

The Medicare rebate freeze and public hospital funding are just two of the threats to the practice of quality medicine in this country.

My speech today is not about dwelling on the turbulence of the last 12 months.

I want to talk about what we should be doing to strengthen our healthcare system.

What are the realistic reforms that we should be looking towards to strengthen our excellent healthcare system?

How do we make sure there is equity, and ensure that the sick and disadvantaged don't get left behind?

I note that we now have the advantage of a Health Minister who is interested in the views of doctors.

Doctors are not afraid of change and reform. We will willingly participate in reform where it is in the best interests of our patients.

For this reason, the AMA supports the Government's reviews of the Medicare Benefits Schedule (MBS) and Primary Care.

MBS review

The MBS Review is an important review.

Health care delivery in Australia has changed, and will constantly change. It changes because doctors innovate and work to provide better and more effective treatments for patients.

Some modern medical practices are not reflected in the MBS, so the AMA welcomes the opportunity to ensure the Schedule meets the needs of a modern healthcare system.

However, our support is predicated on this review not being aimed at cutting the funding to health.

Likewise, this cannot deprive patients of access to medical services. If the service is not in the MBS, it will be very difficult to offer those services.

It is early days, but we already have concerns about the direction of the review and the engagement with experts, especially our Colleges and Specialist Societies.

There is talk of 80 different reviews, all being managed by the Department of Health.

We want to work with the Minister. We want a modern MBS.

We agree with not paying for procedures that don't work for certain indications, but we also need to ensure that we don't deprive people of important services.

In addition to the MBS Review, the Government has also commenced a review into primary health care.

This review, to be chaired by AMA Past President, Dr Steve Hambleton, is a vital chance to focus our health system on primary care.

General practice remains on the absolute brink of disaster unless there is an urgent recognition of the costs of providing high quality care.

Indexation freeze

The freeze on indexation of patients' Medicare rebates is still Government policy.

It is important that people understand that the Medicare rebate is the rebate to the patient. Only in the case of bulk billing does that rebate go directly to the doctor.

The freeze is, once again, a proposal based purely on reducing health expenditure, rather than investing in the health of patients.

The Government failed to consider the consequences.

The AMA has been pointing out what the freeze really means - often, I must say, to blank faces.

For a long time, the Medicare rebate has been indexed in such a way that it has failed to keep pace with the value of the services provided, let alone the cost of providing those services.

Indexation of GP rebates was delayed by eight months from November 2013 until July 2014. Then, after the Medicare rebates were eventually indexed by two per cent, this year they have been frozen - and will continue to be frozen until 2018.

As wage costs increase and other practice costs increase - and we expect more from general practice - the costs of providing services will be passed directly on to patients.

There will be an increased burden on those patients who have been paying an appropriate fee to see their GP.

For those patients, there will be a growing out-of-pocket cost to accessing quality health care.

While the Government portrays doctors as being only concerned about indexation in terms of their incomes, this argument is false.

This is about the viability of practices in socially disadvantaged areas.

It is about the ability of family doctors to provide the type of health care that we expect from our GPs.

It is about whether they can employ the practice nurse or invest in the equipment for their practice that helps them provide the patient with better health care.

The freeze to indexation is a direct attack on general practice.

This is not AMA rhetoric. It is what GPs all over the country are saying to the AMA and to their patients.

Among them is a Tasmanian GP who has just introduced a $30 charge for the hundreds of patients who had previously been bulk billed.

He said it was a difficult decision given the tough financial circumstances of many of his patients, but the practice's own financial position made it unavoidable.

The indexation freeze will also have a significant impact on the affordability of non-GP specialist services.

The indexation freeze for non-GP specialist services was started under the previous Labor Government.

It has been a cynical exercise that has shifted more costs onto vulnerable patients, and which is now starting to undermine the effectiveness of the private health insurance system.

Gaps for specialist care don't just impact on services such as surgery.

The failure to index has had a profound impact on the accessibility and affordability of services for patients needing to see a psychiatrist or a cardiologist or a dermatologist.

In many instances, these will be patients with chronic and complex diseases. They need the care of many specialists.

Normally, each year as the Medicare schedule is indexed, so too are the private health insurers' schedules.

The freeze has meant that private health insurers have had to make a decision on whether they also freeze their schedules, or choose to index and absorb the extra costs of indexation.

Some private health insurers, such as Medibank Private, have chosen not to index their known gap schedule.

As a result, there is likely to be a growing number of doctors who choose not to participate in the known gap schedule, and instead charge a gap.

It may actually lower the costs for the fund substantially, but it will mean that patients in that fund are likely to be subject to much higher out-of-pocket expenses.

BUPA and many of the mutual funds have indexed their schedules and will absorb the lack of Government indexation.

These funds will carry increased costs, and this will put pressure on health insurance premiums.

This is not speculation.

HCF has chosen to now offer a known gap schedule as a direct result of the indexation freeze.

This means that, in order to avoid both of the above scenarios, they are now offering a schedule whereby the doctor can charge an extra out-of-pocket expense of $500.

A key foundation of our health system - something lacking in many other nations - is a balance between our public and private systems.

Government measures that reduce the value of private health insurance by increasing out of pocket expenses - or putting upward pressure on health insurance premiums - undermine our private sector.

This puts more pressure on our public hospital system - and that's not good for anyone.

We are already seeing these negative and damaging consequences of the freeze.

It is essential that the freeze is lifted.

It is essential that the attack on general practice ceases.

We must see an end to short-sighted simplistic measures that jeopardise the very foundations of Australia's healthcare system.

Private health insurers

I am proud of many of the features of private health insurance in this country.

Patients with pre-existing conditions have been able to join a health fund and receive treatment, even for their pre-existing condition, after a waiting period of usually one year.

Patients cannot be denied coverage. Community rating ensures that patients with significant medical conditions continue to be covered.

Without these measures, both our private and public systems would be in jeopardy.

The private health insurance landscape changed last year with the float of Medibank Private.

For the first time, we have a major insurer in the market - with 29.1 per cent market share and coverage of 3.8 million people - where the primary responsibility of directors is to shareholders.

We know shareholders care about growing market share and increasing returns.

Periodically, each private hospital group negotiates an agreement with each private health insurer.

The details are normally not disclosed, but the negotiations between insurers and funds appear to have become more aggressive.

There have been recent reports of a dispute between Medibank Private and the Calvary Health group.

As things stand, Medibank Private patients will no longer be fully covered for treatment in a Calvary Hospital.

This is very concerning for patients in the ACT, Tasmania, and South Australia, in particular, where Calvary Hospitals are most prominent.

The dispute is wrapped in the cloak of concerns for quality.

Medibank Private has proposed that they will not pay for treatment in the instances of a number of 'preventable complications'.

While the AMA does not have any problem for refusing to cover rare mistakes such as surgery on the wrong site, there are many other areas where complications will occur despite full preventative measures.

Deep vein thrombosis and subsequent pulmonary emboli can still occur despite full preventative measures.

The Medibank Private list includes 165 different 'preventable' clinical conditions or events.

One of those is maternal death associated with childbirth.

Unfortunately, maternal death can and still does occur in a very small number of cases – as tragic as that is.

Personally, however, I find it offensive that a private insurer would refuse to cover the costs of that patient and hospital in such a tragic event.

If someone thinks that a financial incentive will motivate doctors, nurses or anyone else in a hospital to prevent maternal death any more than they desire to do so now, then they have no understanding of medicine or the people in it.

While private health insurers spend a lot on the marketing of extras and hype, the value of the products can be very different.

The AMA will be undertaking activities to ensure that members of the public are better educated about health insurance products.

The private health insurance sector also needs regulation. This cannot be a free-for-all.

It is not only about the spectre of a US-style managed care system.

There are other important features of our private health insurance sector that have supported patients, and must be preserved.

What should we be doing?

I want to now talk more generally about where we should be going with our healthcare system, and I want to just make five key points.

First and foremost, it is time to value health.

We need to recognise what our healthcare system means to us and our families.

We need to value those working within it, and recognise the contributions that all healthcare workers make to the health care of all Australians.

Health should not be an annoyance – a concerning budget line to be dealt with. Health care must be valued and be integral to our lives, and be a priority for our governments.

Health is an essential ingredient to any economy. Health is essential to learning, to going to school. Health is essential for training and employment, and to supporting a family.

The lack of focus on health is one of the reasons why I struggle to understand the Government's Indigenous advancement strategy.

Making kids go to school, encouraging young people to get a job, and making a safer society are all noble objectives. But where is the focus on health?

Health must underpin these strategies, particularly when it comes to Closing the Gap - not just in health indicators, but other social, educational, and economic indicators as well.

We need to see healthcare expenditure not as a waste, but as an investment.

Second, we need an overarching plan for health care.

What is the national strategy for our healthcare system? We all know the commonly used phases such as *'right care, right place, by the right person'*.

These are just words without the context of an overall national strategy for health.

At worst, these words have become code for *'let's see if we can get someone else to pay for it'*.

A long-term, bipartisan National Health Strategy may be difficult to achieve, but allowing our healthcare system to meander risks its future, and allows its foundations to be undermined piece by piece.

A National Health Strategy should guide our health policy, our decisions, and any future reform of the healthcare system.

It does not require grandiose promises, massive reviews, or politicians running around the country for photo opportunities with patients

It requires a commitment to engage with those who work in the system, and political resolve from Federal and State leaders.

The third point is efficiency.

When politicians talk about saving money in health, they do so as if they think they are breaking new ground.

Doctors have been working to make the healthcare system more efficient for decades, and have had remarkable success in doing so.

Healthcare expenditure is not out of control.

However, there are ways to reduce healthcare expenditure without punitive measures, and without restricting access for those people who need it.

We need to be smarter at achieving efficiencies. Integration of our healthcare system, underpinned by information technology, is an obvious solution.

Linking general practices with each other, as well as with hospitals and other healthcare workers, not only improves quality and safety, it reduces waste and provides efficiencies.

We can only lament the waste of $1 billion on the Personally Controlled Electronic Health Record. But developing our health IT system must be a priority.

Fourth, everyone knows that the biggest challenge for our healthcare system is the growing burden of chronic disease.

Investment in general practice is essential if we are going to keep people well and in the community.

Seven per cent of hospital admissions may be avoidable with timely and effective provision of non-hospital or primary health care.

Our family doctors are the cornerstone of chronic disease management. They need to be supported to do this work with investment, funding, and resources.

The new Primary Health Networks must provide support, and the Hambleton Review will also put forward new solutions.

There have been pilot programs with private health insurers, some of which, as the AMA predicted, have failed.

However, the AMA is working with private health insurers on ways that private health insurers can support our family doctors in the management of chronic disease.

Policies in health must be re-orientated - they must pivot to general practice.

The fifth and final point is the importance of our public hospitals.

People will always need hospitals. Our public hospitals are far from meeting demand. We must continue to invest in our public hospital system.

As I noted earlier, our nation's leaders are meeting today at the Leaders' Retreat to discuss tax reform and health funding.

The Treasury estimates that $57 billion will be taken out of our public hospitals between 2017 and 2025.

This is a real cut from the funding commitments agreed to by the previous Federal Government with the States.

The scale of the cuts is significant. For just New South Wales, the cuts will amount to the loss of the equivalent of five-and-a-half Westmead Hospitals.

For the smaller jurisdictions, the cuts will be even more profound as they struggle to manage the long-term healthcare needs of their community without a sufficient taxation base.

Sadly, the Federation Paper our leaders are discussing today is a modest summation of payment options. It is not a vision for health care.

I want our leaders to know that the hardworking and dedicated doctors in our public hospital system are frustrated – very frustrated.

You get to the point that you stop seeing patients because you don't want to add any more to the waiting list.

The patients return again and again to their GPs to see if there is anything else that can be done while they wait for their appointment – sometimes for two years before they get on the wait list for surgery. This is a wait list that can take another year.

Elective surgery is anything but 'elective'. It includes cancers and life-threatening conditions.

Meanwhile, people suffer. They can't work and support themselves or their families. These patients are in pain, and debilitated.

The funding of our public hospital system is not an argument for the abstract.

It is about those in our society who are suffering, about those who are getting left behind.

While I welcome the discussion today about future funding of health, this is the message that I want to send to our leaders today. Sort this mess out. Fund our public hospital system properly, and don't keep leaving the sick and the suffering behind.

The 'Nanny State'

One of the great privileges of being a doctor and the AMA President is the extraordinary people you meet or come into contact with every day.

While interacting with them is a privilege, I wish with all of my heart that I had never met some of them or heard of them through my work as a doctor.

I wish instead that they were simply anonymous people going about their lives, worrying about ordinary things.

Instead, I know them or know of them because their lives have been touched by terrible tragedy, and they have made a decision to use that tragedy to try to ensure that tragedy does not touch another family.

I want to pay tribute to some of these families and the extraordinary work they do.

Jo-ann and Michael Morris tragically lost their son, Samuel, in 2014.

Samuel suffered traumatic brain injury in 2006 following a near-drowning in his family pool. Following that injury, Jo-Ann and Michael established the Samuel Morris Foundation to promote awareness of the risks of child drownings, and to advocate for better regulation and pool safety.

Toni and David McCaffery lost baby, Dana, to whooping cough in 2009. Catherine and Greg Hughes lost baby, Riley, in 2015 to the same terrible preventable illness.

Both families have worked tirelessly to improve awareness of the need for vaccination.

Peter Frazer lost his daughter, Sarah, in 2013 in a motor vehicle accident. He established the SARAH Foundation to raise awareness of road safety.

Ralph and Kathy Kelly lost their son, Thomas, as a result of drunken violence in Kings Cross in Sydney in 2012. They established the Thomas Kelly Foundation to lobby for more appropriate alcohol controls and raise awareness of the harms of alcohol-related violence.

And, of course, Rosie Batty, who lost her son, Luke, to domestic violence in February 2014. Rosie has been instrumental in starting a national conversation about the terrible tragedy of family violence in Australia. She established the Luke Batty Foundation, and recently launched the Never Alone Campaign to raise awareness of the impact of domestic violence.

These families share many things in common. However, their most common desire is to ensure that what has happened to their family never happens to any other family.

There are many other families like theirs who have also found ways to use their tragedy to make a difference and help others. They are all an inspiration.

Doctors see the impact of tragedy every day. It is why we are unashamed champions for public health.

Every day, we see people whose lives have been changed by preventable illness or by trauma.

Sometimes the fault is their own, sometimes the fault is with others, but either way the harm is done. All of them say they wish there had been a different outcome.

This is why I am dismayed by the current political narrative opposing the so-called 'nanny state'.

A few years ago, I was watching one of the candidates for the Republican nomination for the United States Presidency talk about driving and the use of mobile phones.

His view was that people should be able to do whatever they wanted in the privacy of their own cars.

I found it fascinating that someone with such ridiculous views could be a serious candidate for Presidency, let alone be a U.S. Senator.

I thought how fortunate we were that our Australian politicians were more moderate. Well, it appears that that faith was misplaced.

In our very own Parliament, Senator David Leyonjhelm has been successful in forming a Senate Committee to investigate the 'Nanny State'.

He wants to question the role of Government in controlling things like smoking or alcohol abuse, and enforcing the use of bicycle helmets – actions that save lives and prevent injury and illness.

Senator Leyonjhelm, the self-described libertarian, might be the point man on this exercise, but I find it very concerning that there are clearly others in Parliament that share these views.

I agree that the Government should not be interfering with choices and behaviours of individuals without reason.

But, as individuals, we live in a society. As such, the choices and behaviours that we make as individuals affect those around us.

Libertarians would argue that laws against driving while using a mobile phone interfere with their rights as an individual in their private space.

However, if you drive while on a mobile phone, you are four times more likely to be involved in a motor vehicle accident, possibly killing or maiming someone else.

But what if they only injure themselves? It will be the rest of society that pays for their hospitalisation and treatment, their rehabilitation, and other costs as well.

Government <u>does</u> have a role to play in making this country a safer and healthier society.

It does have a role in regulating and modifying the behaviour of individuals so that the rest of us can be confident that we won't be run over by someone distracted by talking on their mobile phone, or run off the road by a drink driver.

The existence of this Committee is a distraction from the real discussion of preventative health care and injury prevention that we should be having.

There should be a clearly articulated approach to prevention.

More importantly we need all those who have a responsibility for prevention, including governments at all levels, to live up to their responsibilities for prevention.

Asylum seekers

Being a doctor is about more than caring for the patient in front of us.

It is about caring for the patients to come, and caring for those in our community or in the global community who cannot speak for themselves – people such as asylum seekers

The AMA does not intend to enter a complex policy debate around Australian immigration policy.

But what we have done, and will continue to do, is comment on the health care of asylum seekers who Australia places in detention, and the consequences of that detention on asylum seekers.

It is clear that no child should be in detention. The AMA has been calling for this since 2002.

I acknowledge that this Government has reduced the number of children in detention.

However, as at 31 May 2015, there were still 81 children in detention on Nauru and 138 on mainland Australia. The Government must ensure that these children are processed and out of detention.

The AMA has been concerned about the provision of health care to asylum seekers, particularly those in the offshore processing centres of Nauru and Manus Island.

We have been contacted by large numbers of doctors and other health workers who share these concerns.

The AMA has consistently called for the establishment of a panel of doctors and other healthcare workers who can provide independent advice to the Government, and who can report in a transparent manner.

But instead of transparency, we have the Border Force Act.

This legislation was supported by both the Coalition and ALP.

Legal advisers have confirmed that the Act provides penalties, including potential imprisonment for doctors, nurses and other health workers who speak out about abuse or the wellbeing of asylum seekers.

As doctors, we have an ethical and moral obligation to speak out if we have concerns about the welfare of our patients, whether it be the treatment of an individual or whether it be at a system level.

We note there have been assurances that doctors and other healthcare workers will not be prosecuted.

If this is the case, then it should be clearly and directly spelt out in the legislation as an exemption.

We call for this exemption because, for a doctor, an asylum seeker is no less a patient than any other patient.

If we are willing to compromise the rights of doctors and patients for one group, how can we ensure that other groups will not be compromised in the future?

Caring for our colleagues

This year, the medical profession was confronted with stories of harassment by some doctors against other colleagues. This is unacceptable.

I recognise that doctors have suffered in silence fearing for their careers. This culture of fear must change.

Complaints must be dealt with appropriately.

All of us must stand up against inappropriate conduct and call it out whenever we see it.

As a profession, we cannot provide care for our patients if we cannot care for our own. It is time to care for our colleagues, and it is time for change.

Conclusion

To finish up today, there has been some talk of an early election.

Whenever the election is called, all parties need to ensure that their plans for health are clear and comprehensive.

Last election, health was sidelined as an election issue - and look what we got as a result.

Rather than trying to avoid or downplay health policy, our Government and Opposition need to outline their vision for Australia's healthcare system.

They need to demonstrate their commitment to maintaining the foundations that have made Australia's healthcare system the excellent system that it is.

They must spell out how they intend to build on those foundations to improve our healthcare system and the health of all Australians.

This should be not only with funding and a comprehensive policy framework, but with compassion and an understanding of the needs of the sick, the elderly, and those who are disadvantaged by circumstance or ill health.

The AMA will advocate strongly for policies that enhance our healthcare system to assist doctors to provide the highest standard of care to their patients, and make Australia safer and healthier for all of us.

Thank you.

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22 July 2015

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