

## Key Issues

Under the *Health Insurance Act (HIA) 1973*, a bulk billing facility for professional services is available to all persons in Australia who are eligible for a benefit under the Medicare program.

If a practitioner bulk bills for a service, the practitioner undertakes to accept the relevant Medicare benefit as full payment for the service. Additional charges for that service, including any consumables, cannot be raised.

A study on wound care costs in general practice conducted in 2011 showed that, in most cases, general practices are not recouping the costs of wound care. In providing this critical service, GPs and practices typically incur a loss, with some dressings costing as much as \$50.

## Patient consideration

It is estimated that more than 400,000 Australians are suffering from a chronic wound, including venous leg and diabetic foot ulcers, which can take months or even years to resolve.

This can involve multiple visits to GPs and practices to have dressings changed, and to discuss nutrition, exercise, and other ways the patient can look after their wound themselves to help the healing process between appointments.

Many of these patients are older Australians. Many are on limited or reduced incomes, due to their stage of life or their reduced capacity to work as a result of their condition.

Where possible, the GP will bulk bill patients for their care. But GPs and practices are increasingly unable to absorb the cost of providing the bandages and dressings that their patients need each visit, which can cost between \$4 and \$50 per patient.

## Government consideration

Under Medicare restrictions, GPs cannot bulk bill a patient for a consultation and charge the patient the

cost of the bandage. This means that GPs have to decide between bulk billing the patient and absorbing the cost of the bandage themselves or charging the patient for both the consultation and the dressing.

General practices, after years of frozen and inadequate rebates for the cost of care, are just not in a position to subsidise this cost any longer.

In many cases, patients buy their bandages or dressing at market rates from a pharmacy, just so the GP treating the wound can bulk bill them for the consultation without falling foul of legislative restrictions.

Chronic wounds are debilitating for patients, causing myriad complications including constant pain, social isolation, and depression or anxiety, and the cost of bandages and dressings is prohibitive for many people.

As such, there is an imperative for the Government to support best practice care.

A precedent already exists, with GPs allowed to charge for a vaccine when bulk billing a professional attendance item.

KPMG, in an evaluation of the use of compression bandages for patients suffering venous leg ulcers, estimated back in 2003 that \$166 million a year could be saved with their use.

## AMA position

The AMA calls on the major parties to support patients with hard-to-heal wounds by funding the costs of dressings for patients who:

- Have a diabetic foot ulcer or diabetic leg ulcer; or
- Have a venous or arterial leg ulcer; or
- Are 65 years of age and over.

For further information on this issue please contact Nick Elmitt on 02 6270 5400 or [nelmitt@ama.com.au](mailto:nelmitt@ama.com.au)