

A U S T R A L I A N

Medicine

The national news publication of the Australian Medical Association

2013 Federal Budget

SPECIAL EDITION



AMA

Federal Budget – A Quadruple Whammy on Patients



Health took a big hit in this year's Federal Budget.

The Health portfolio Budget papers looked thinner than previous years but, along with broader decisions out of Treasury, this Budget rips something like \$1.8 billion out of health.

All in all, it is a quadruple hit on patients that will have long-term impacts on their ability to pay for their health care needs.

Like the Four Horsemen of the Apocalypse, four key Budget decisions will combine to wreak havoc on Australian families.

Budget decision one is to defer indexation of the Medicare Benefits Schedule (MBS) from 1 November 2013 to 1 July 2014 – a freeze of eight months.

Budget decision two is to cap work-related self-education expense tax deductions to \$2000 a year. This measure, estimated to provide savings to the Budget of \$514.3 million, will have a devastating effect on medical education for doctors that, in turn, will affect the quality of medical care available to the Australian community – and, if not reversed, will inevitably lead to increased costs

Budget decision three is to increase the upper Medicare Safety Net threshold to \$2000, which means that families that incur high or numerous health care costs in one calendar year will pay more and more without relief. It will save the Government \$105.6 million.

Budget decision four - which just compounds the above - is the phasing out of the medical expenses tax offset, which is estimated to save the Government \$963.5 million. Battling families will not be able to claim out-of-pocket medical expenses.

Add these measures together and it is clear that the Government is targeting sick Australians to help fix their Budget black hole.

GPs and specialists cannot absorb these new imposts and will have to pass on costs to their patients.

This Budget means that people will pay more for their health care every time they visit their doctor, year after year. The sicker that people are, the more they will pay.

To make things worse, the changes to the Medicare Safety Net mean that families will need to accrue significantly more health care bills before they get financial support. The medical expenses tax offset changes will also make it harder to get relief from an ever-expanding health care burden.

The chronically ill, the elderly, young families, accident and trauma victims, and our war veterans will be among the hardest hit by these life-changing Budget decisions. It will almost certainly drive patients towards an already stressed public hospital sector.

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Federal Budget – A Quadruple Whammy on Patients

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At the same time, doctors will find it harder to improve their skills and knowledge to help their patients.

Self-education is a key element of quality medical practice. Doctors need to build on their skill base throughout their careers as new medicines, new surgical techniques, and new technologies become available.

Medical education is expensive and large numbers of doctors – especially GP proceduralists, rural doctors and surgeons - need to upgrade their skills across multiple disciplines on a regular basis.

In order to be able to continue to provide the highest possible quality care to their patients and their communities, these doctors need to keep learning and studying. They must attend courses and conferences, both locally and overseas. But the costs build up. A local anaesthetics conference for a rural doctor, for example, can cost around \$4000.

This Budget measure risks seriously downskilling the Australian medical workforce and, again, it is ultimately the patients who will miss out.

In its entirety, this Budget is very bad news for the health system.

The changes not only involve funding cuts and tax penalties and reduced safety nets, they combine to undermine the long-term sustainability of quality health services and access to quality health services, while tipping the balance to the public sector.

In an election year, the Government should not count on winning many votes with this Health Budget.



[TO COMMENT CLICK HERE](#)

Doctors and patients pay for ailing Budget

The AMA has accused the Federal Government of using the sick to help staunch its haemorrhaging Budget after it revealed plans to rip around \$1.7 billion out of health care.

In a package of changes that will hurt doctors and millions of families, the Government has announced a freeze on the indexation of the Medicare Benefits Schedule (MBS) until mid-2014, as well as virtually doubling the Medicare Extended General safety net threshold to \$2000, phasing out the tax offset for medical expenses and capping tax deductions for work-related self-education expenses.

AMA President Dr Steve Hambleton said that, taken together, the changes would affect everyone who uses a doctor, either through less bulk billing, increased out-of-pocket expenses or a loss of tax offsets.

Dr Hambleton said that not only was their likely to be a drop in bulk billing rates, but assistance from the Medicare safety net would be cut, and 800,000 people would lose their ability to claim a tax offset for medical expenses.

He warned the changes could potentially hit those in the community who are most ill particularly hard.

"If you end up going to the doctor an awful lot during the year, if you can't access bulk billing, you'll pay more," Dr Hambleton said on 3AW. "Then you'll find the [Medicare safety net] threshold has been lifted, and then you go to claim it on your tax at the end of the year [and] the tax accountant's going to say 'Sorry, the Government took that away'."

In the lead-up to the Budget, the AMA had highlighted concerns that the Government was considering freezing MBS indexation and restricting access to the Medicare safety net, and Dr Hambleton said it was "very disappointing" to have those fears confirmed.

"The Government is getting sick people to help fix the Budget black hole," he said.

Dr Hambleton warned the Government's decision to delay the indexation of the Medicare rebate from November this year to July 2014 would force many

doctors to stop bulk billing their patients, pushing up out-of-pocket costs and potentially deterring some patients from seeking necessary health care.

"People will pay more for their health care every time they visit the doctor," he said. "The sicker you are, the more you will pay. Some people may even choose to put off seeing their doctor."

The Federal Government, desperately seeking opportunities to hold down health spending, estimates that the eight-month delay in indexing the Medicare rebate will save it \$664.3 million.

Health Minister Tanya Plibersek admitted the Budget included decisions that were likely to be unwelcome by some, but said the changes had been made to make the best possible use of health funding.

"More and more calls are being made on the health dollar," Ms Plibersek said. "By targeting funding, prioritising spending and making tough but responsible decisions, we are ensuring that health spending is focussed where it can be of greatest help to Australians most in need and at most risk.

"Our priority all through this budget – and it's a hard budget – has been to minimise the effect on consumers and patients," the Minister told *The Australian Financial Review*.

But Dr Hambleton warned the decision to freeze MBS indexation meant the bulk billing rate, which reached a record high of 82.4 per cent in the March quarter, was set to tumble as doctors found the cost of subsidising the care of their patients increasingly unsustainable.

The AMA President said past experience had shown that when the Medicare rebate was frozen, bulk billing rates fell and gap charges for patients increased.

"We know that when it's happened before that there will be a increase in the gap that patients pay. We've got bulk billing rates at the highest level, which guarantees access to GPs. That will turn around, and it got down as low as 60 per cent when this sort of approach was taken before," Dr Hambleton said.

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Doctors and patients pay for ailing Budget ...CONTINUED FROM PAGE 4

But Ms Plibersek denied the indexation freeze would have a substantial affect bulk billing rates.

"We think bulk billing rates will stay very strong," the Minister told *The Australian Financial Review*. "The average doctor gets \$350,000 a year in Medicare billings. It's a fairly substantial payment."

Dr Hambleton said the AMA supported a 0.5 per cent increase in the Medicare rebate to help pay for the national disability insurance scheme, "but to take rebates away from every man, woman and child in the country just seems to be robbing Peter to pay Paul".

Dr Hambleton said the Government's decision would put doctors under enormous pressure.

"[As a doctor], you've got three choices. You either go faster, you either withdraw the service altogether or you maintain the quality of service and you charge a fair fee and, sadly, I think that's the most likely outcome - that doctors will actually maintain quality

but that must mean the fees will rise, therefore the gaps will rise and those rebates won't be sufficient," he said.

The eight-month delay in indexing the MBS will increase concerns about the inadequacy of Medicare rebates, which the AMA says have failed to keep pace with increases in the cost of providing quality health care.

The Association recommends that GPs providing a level B consultation should charge \$71, well above the current MBS rebate of \$36.30.

In addition to freezing MBS indexation, the Government has taken a number of other cost-cutting measures in primary health care – including increasing the Medicare safety net threshold and cracking down on double billing for chronic disease management items. Together, the changes are expected to save \$871 million over four years.

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Thousands to fall through Medicare safety net

The AMA has warned that patients in need of significant and ongoing care will be hit by substantial additional out-of-pocket costs as a result of changes to Medicare safety net thresholds.

And higher income earners claiming a tax offset for medical expenses stand to lose an additional \$72 a year as the Government winds down a scheme to help compensate for out-of-pocket expenses.

The Federal Government has pushed the upper safety net threshold out by almost an extra \$800, meaning patients will have to spend more than \$2000 in a year (up from \$1221.90) before they can become eligible for the Extended General safety net allowance.

The allowance entitles patients to an 80 per cent refund on out-of-pocket costs or the Extended Medicare Safety Net benefit cap for out-of-hospital services.

But, in an effort to contain the political fallout from the move, the Government has held the threshold for concessional threshold steady, meaning that patients who are concession card holders or who receive Family Tax Benefit Part A will continue to be eligible for a rebate of 100 per cent of the schedule fee for out-of-hospital services once they spend more than \$610.70 in a year.

The Government said the change would "improve the sustainability" of the Extended Medicare Safety Net, and is expected to save the Budget \$105.6 million over four years.

Health Minister Tanya Plibersek said mounting pressure on the health budget made it crucial to better target spending.

"Health care costs are rising and the demands of an ageing population are putting huge pressure on the system," Ms Plibersek said. "We have rigorously examined programs and priorities to ensure funds are directed where they are best used and most needed."

But AMA President Dr Steve Hambleton said the change to the Medicare safety net threshold would hurt families already hard pressed by living expenses, and could undermine access to care.

"Many families will face further increases to their health care costs through the increase of the upper Medicare Safety Net threshold to \$2000," Dr Hambleton said. "At a time when many Australians are facing huge cost of living pressures, it is going to get harder for people to cover their health care costs. Some people may choose to put off seeing their doctor."

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Ill will pay heavily for lost tax break

Almost a million patients will be slugged with a bigger tax bill after the Federal Government unveiled plans to wind down a tax offset for medical costs.

The AMA has warned that 800,000 people a year will lose the ability to claim tax relief for incurring heavy out-of-pocket medical costs after the Government revealed it would phase out the net medical expenses tax offset (NMETO), saving it \$963.5 million over the next four years.

AMA President Dr Steve Hambleton said the tax change would hit those most ill the hardest.

"It's 800,000 Australians who actually claim back something on their tax at the end of the year because they've had a tough year," Dr Hambleton said. "The sickest people, who are those people – and it's 800,000 Australians – that will pay more."

The tax offset was set up to help patients, particularly those with a chronic condition or disability, who incurred significant out-of-pocket medical expenses during the year.

A means test for the NMETO was introduced in last year's Budget, under which those who earn more than the Medicare levy surcharge thresholds - \$84,000 for singles and \$168,000 for couples or families - have faced a \$5000 threshold (indexed annually) for claims to the medical expenses tax offset, and the offset rate has been cut to 10 per cent of eligible out of pocket expenses incurred above the \$5000 claim amount.

In a submission to the Government late last year, the AMA said it was "incongruous" to apply a means test to the NMETO which, after all, was set up as a final safety net for patients.

"It is not reasonable for any person who experiences a period of high medical need, and therefore costs, to be treated differently by the safety net system," the AMA submission said.

But now the Government has moved to phase out the tax offset altogether, claiming recipients would lose, on average, \$72 a year.

However, Australian Institute of Health and Welfare figures show \$475 million in rebates were distributed under the scheme in 2010-11 alone, suggesting the offset could be significant for individuals.

Under transitional arrangements outlined in the Budget, those taxpayers who claimed the NMETO for the 2012 13 income year will continue to be eligible for the NMETO for the 2013 14 income year if they have eligible out of pocket medical expenses above the relevant thresholds.

Similarly, those who claim the NMETO in 2013 14 will continue to be eligible for the NMETO in 2014 15.

The Government said the NMETO will continue to be available for taxpayers for out of pocket medical expenses relating to disability aids, attendant care or aged care expenses until 1 July 2019, when DisabilityCare Australia is fully operational and aged care reforms have been in place for several years.

Dr Hambleton said the savings made by the Government would have to come from somewhere, "and the reality is it'll come from patients, and it'll hurt the people who are most price sensitive, and they're the people who have got the least money".

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Education expense cap goes ahead

The Federal Government is pushing ahead with a controversial cap on tax deductions for education expenses despite warnings the change could potentially compromise the quality of health care.

The Budget Papers show the Commonwealth expects to save \$514.3 million over the next four years by setting an annual \$2000 limit on tax deductions for work-related self-education expenses.

The AMA has led vocal opposition to the change from professional groups and the higher education sector, arguing that the cap is woefully inadequate.

AMA President Dr Steve Hambleton said doctors regularly spent much more than \$2000 a year undertaking education and training essential to maintaining their qualifications and keeping abreast of the latest developments in their field of specialty.

The AMA has been deluged with complaints by members outraged by the proposal, which many said would impair their professional development and undermine the quality of care they could provide for their patients.

Dr Hambleton said the \$2000 cap was too low, and "defies reality".

"I don't think the Government has thought through

the impact of these changes on doctors and a whole range of other professionals who must continually update their skills and knowledge throughout their careers, at their own expense," he said. "Doctors must learn new technologies, surgical techniques, treatments and pharmaceuticals if they are to provide the best possible care to save lives and improve quality of life for their patients."

Treasurer Wayne Swan has offered to consult with the AMA about the changes, but in the Budget he pushed ahead with the reform.

The Budget Papers said the change "will better target" work related self education expense deductions through an annual \$2000 cap from 1 July next year.

"The potential for uncapped claims for a wide range of expenses provides an opportunity for some people to enjoy significant private benefits at taxpayers' expense," the Budget said, adding that the savings made would be redirected to help fund the Gonski reforms to school education.

The Government said a discussion paper on the change will be released late this month as part of its consultation process.

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AMA in the news

Print

Health cops fair dose of medicine, *The West Australian*, 15 May 2013

The Government has been accused of using sick people to fill its Budget black hole after unveiling changes to Medicare aimed at saving \$1.7 billion over four years. Australian Medical Association President Dr Steve Hambleton said the changes would force sick people to pay more for their health.

Doctors warn cuts will see sick suffer, *Herald Sun*, 15 May 2013

The Budget saw tax breaks for medical expenses axed and Medicare rebate rises delayed, and it has been made harder to qualify for the Medicare safety net. Australian Medical Association President Dr Steve Hambleton said it was an obtuse "and very disturbing" decision.

Penalising the sick, say doctors, *The Australian*, 15 May 2013

Doctors have accused Wayne Swan of "getting sick people to help fix the budget black hole" after ripping \$644.4 million out of primary healthcare. Australian Medical Association President Dr Steve Hambleton said the delayed indexation of the Medicare Benefits Schedule from November to July next year was effectively a freeze.

GPs facing fee freeze to fund NDIS, *The Australian*, 14 May 2013

Australian Medical Association President Dr Steve Hambleton warned freezing the Medicare rebate would lead to a decline in the use of bulk billing, under which doctors are paid the Medicare rebate

directly by the Government, and patients are left with no additional costs for a GP visit. Dr Hambleton said the change would adversely affect older Australians.

Radio

Dr Hambleton, 3AW Melbourne, 15 May 2013

AMA President Dr Steve Hambleton said there were changes to health funding that could affect a lot of people. He said 800,000 Australians would be affected by the move to axe the net medical expenses tax offset.

Dr Hambleton, 6PR Perth, 14 May 2013

AMA President Dr Steve Hambleton said the AMA was not consulted over the freeze on indexation of Medicare Benefits Scheme rebates. He said doctors would be forced to include further service cost increases in their charges.

TV

Dr Hambleton, Channel 7, *Sunrise*, 15 May 2013

Dr Steve Hambleton of the Australian Medical Association said sick people were paying for the Budget black hole.

Dr Hambleton, Channel 10, *Ten Late News*, 14 May 2013

The AMA supported the rise in the Medicare levy to fund the NDIS, but does not support the freeze to MBS indexation that would see a reduction in access for patients seeking to visit their GP or specialist.

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Govt finds funds to fight cancer

The Federal Government has moved to expand cancer screening programs and give a one-off boost to chemotherapy dispensing fees as part of a multi-million dollar effort to tackle the nation's number one killer.

In one of the major health initiatives in the Budget, the Government has packaged together a range of cancer initiatives under a \$226 million World Leading Cancer Care initiative, which it said would help keep the nation at the forefront of work to prevent, detect and treat cancer.

Most of the extra funding is being directed to sustain or expand existing programs, and much of the spending was announced in the lead-up to the Budget.

The single biggest target of extra funding is breast cancer. Almost \$56 million has been allocated to extend free breast cancer screening free breast screening to all women aged between 70 and 74 years, building on the current program of free breast screens for women aged between 50 and 69 years.

The expansion means an extra 220,000 breast screens will be conducted in the next four years, with estimates an additional 2400 breast cancers will be detected.

This effort will be augmented by the expenditure of \$19.5 million over four years to lift the number of McGrath Breast Care Nurses from 44 to 57.

The Victorian Cytology Service has been allocated \$36.5 million to continue to cervical cancer screening work, while \$18.5 million has been provided for prostate cancer research, an extra \$18.2 million has been allocated to the CanTeen youth cancer service.

Almost \$24 million has been provided to help patients recovering from cancer treatment to get life-saving bone marrow transplants, while Cancer Australia has been given an extra \$6 million for research, treatment and tracking of lung cancer.

The Government will deliver a \$16.1 million boost to the National Bowel Cancer Screening Program, though an international cancer detection expert has urged the Government to bring forward plans to expand the surveillance system.

Vice President of Cancer Control at the Canadian Partnership Against Cancer Dr Heather Bryant said "every effort" needed to be made to speed up the frequency and breadth of bowel cancer screening in order to avert thousands of unnecessary deaths.

Speaking at a Cancer Council conference in Adelaide earlier this month, Dr Bryant said the Government was taking too long to increase the frequency of bowel cancer screening in the country.

Under the Government's plan, the current program – under which people are screened every five years between the ages of 50 and 65 years – would be expanded to encompass 50 to 74-year-olds, with screening tests every two years. But the upgraded testing regime would not be fully implemented before 2035.

But Dr Bryant said this rollout was too long, given that bowel disease is a major killer in Australia, claiming an average of 80 lives a week. More than 11,000 cases are diagnosed every year, and there are around 4600 deaths.

"If the program was rolled out faster, Australia could expect a much higher rate of early diagnoses and, in turn, a major reduction in the number of bowel cancer deaths each year," she said.

"We know that screening people who have no signs or symptoms of the disease is extremely important, because bowel cancer often develops from a benign polyp and can be prevented when these polyps are discovered early and removed," Dr Bryant said. "The longer these polyps go undetected, the greater the risk of developing bowel cancer. Checking regularly through screening is our best line of defence against what is a highly treatable disease if caught early."

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Govt finds funds to fight cancer ...CONTINUED FROM PAGE 10

The cancer package also included a \$29.6 million measure, unveiled before the Budget, to temporarily increase the fee paid to pharmacists for preparing and dispensing chemotherapy drugs.

The Government has ordered a review of chemotherapy dispensing fees after revelations that some providers were using the inflated prices Government paid for the drugs to help subsidise the cost of dispensing them.

Health Minister Tanya Plibersek said there would be a \$60 boost to the current dispensing fee of \$76.37 between 1 July and 31 December this year while the review was being undertaken, as a way to ensure the supply of chemotherapy medicines was not interrupted.

The package also includes \$2.4 million awarded to cancer control agency Cancer Australia to develop and operate a system to collect and report on cancer diagnoses nationwide, in what is seen as a crucial step in improving the detection and treatment of the deadly condition.

Cancer experts said the lack of consistent national data on the diagnosis and treatment of the disease had been a significant shortcoming hampering efforts to boost survival rates.

The system to be set up by Cancer Australia will collect, collate and report national data on the stage at which a cancer was diagnosed, the treatments applied at each stage of the disease and the frequency with which cancer reappeared following treatment.

In addition, the agency will develop a set of indicators by which cancer control efforts can be measured against international benchmarks.

Cancer Australia Chief Executive Professor Ian Olver said collecting evidence was instrumental to effective cancer care.

"Cancer survival statistics help provide the big picture. But we need data sets on [the] stage at diagnosis, recurrence and responsiveness to treatment to guide best practice," Professor Olver said.

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INFORMATION FOR MEMBERS

Essential GP tools at the click of a button

The AMA Council of General Practice has developed a resource that brings together in one place all the forms, guidelines, practice tools, information and resources used by general practitioners in their daily work.

The GP Desktop Practice Support Toolkit, which is free to members, has links to around 300 commonly used administrative and diagnostic tools, saving GPs time spent fishing around trying to locate them.

The Toolkit can be downloaded from the AMA website (<http://ama.com.au/node/7733>) to a GP's desktop computer as a separate file,

and is not linked to vendor-specific practice management software.

The Toolkit is divided into five categories, presented as easy to use tabs, including:

- online practice tools that can be accessed and/or completed online;
- checklists and questionnaires in PDF format, available for printing;
- commonly used forms in printable PDF format;
- clinical and administrative guidelines; and
- information and other resources.

In addition, there is a State/Territory tab, with information and forms specific to each jurisdiction, such as WorkCover and S8 prescribing.

The information and links in the Toolkit will be regularly updated, and its scope will be expanded as new information and resources become available.

Members are invited to suggest additional information, tools and resources to be added to the Toolkit. Please send suggestions, including any links, to generalpractice@ama.com.au

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Patients still fork out despite drug subsidies

Patients will continue to make substantial contributions to the cost of their medicine despite the announcement of multi-million dollar subsidies for drugs.

The Federal Government expects to spend an extra \$689 million by mid-2017 on subsidies for a range of treatments including medications for hepatitis, diabetes and birth control as it tries to hold the cost of the Pharmaceutical Benefit Scheme (PBS) down.

The Budget Papers show the Government has agreed to new and amended listings for a number of drugs including chronic nerve pain treatment Lyrica, hepatitis C drugs Victrelis and Incivo, the oral contraceptive Femme-Tab ED and the diabetes and cholesterol medication Juvicor.

The Government said it had negotiated pricing agreements with pharmaceutical manufacturers to cut the cost of the medicines, but patients will still be required to provide a co-payment of up to \$36.10 for each prescription.

Health Minister Tanya Plibersek said the Government had added more than 780 new medicines and vaccines to the PBS, the Life Saving Drugs Program and the National Immunisation Program since 2007, at a cost of more than \$5 billion.

Ms Plibersek said that this financial year alone, listings for 70 drugs had been added or extended, at a net cost of more than \$780 million over five years.

"The Government's investments in the PBS ensure that Australians have timely and affordable access to cost effective, high quality medicines at an affordable cost," the Minister said.

In addition to new and amended drug listings, the Government has also allocated \$3.8 million over five years to cover price increases for a range of medicines

including the herpes cream Zovirax, blood pressure pill Alphapress and urinary tract infection treatment Macrochantin.

The Pharmaceutical Society of Australia welcomed the extra funding for new and amended medicine listings on the PBS, but said the industry would be stung by looming price cuts for a range of drugs.

"A sting in the tail remains through the ongoing impact of price disclosure, which by August [this year] will have reduced the price of more than 130 medicines," PSA Acting President Dr Claire O'Reilly said.

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Australia's Health System: What's the treatment?
AMA National Conference 2013
24-26 May 2013, The Westin, Sydney

Conference highlights

- Revalidation, Finding ways to provide the best possible end-of-life care
- The Politics of Health
- A Market Economy for Health and Health has a Postcode - Society's ills and Individuals' health.

Speakers

Professor Sheila the Baroness Hollins, Dr Joanna Flynn AM, Professor Ron Paterson, Dr Jeremy Sammut, Mr John Della Bosca, Mr Mark Textor, Ms Sue Dunlevy, Mr Rohan Mead, Dr Brian Morton, Prof Victor Nossar and Dr Harald Klein.

The National Conference is open to all medical professionals, join us for what is sure to be an outstanding event!

 **AMA** www.ama.com.au/nationalconference

Millions committed to closing the gap

The AMA has applauded the Federal Government's renewed commitment to work with the State and Territory governments to close the health gap between Indigenous people and the rest of the community.

The Government has allocated \$783.5 million for new National Partnership Agreements with the states and territories to continue efforts to improve the health of Aboriginal and Torres Strait Islander peoples after the existing agreements expire in the middle of the year.

In her most recent Closing the Gap report card, Prime Minister Julia Gillard indicated progress was being made on a number of fronts to improve Indigenous health and wellbeing.

Ms Gillard said the successes included:

- being on track to halve the mortality rates for children under five;
- significantly increasing Aboriginal and Torres Strait Islander peoples' access to health services for chronic disease - which underlies much of the gap in health outcomes;
- having work underway in partnership with Aboriginal and Torres Strait Islander peoples to develop a long term health plan; and
- meeting the target for early childhood education access in remote communities.

AMA President Dr Steve Hambleton said last month it would be "a disgrace" if the Federal, State and Territory governments did not renew their commitment to continue the work when the current National Partnership Agreement expires mid-year.

"Closing the gap and achieving health equality between Aboriginal people and Torres Strait Islanders and other Australians must be a priority for all our governments," Dr Hambleton said. "It is a worthy goal that requires long-term funding and genuine political commitment.

"Five years ago, our governments signed up in good faith to the National Partnership Agreement, and it has delivered some positive health outcomes.

"Now is not the time to be complacent – we must build on these good results."

In addition to \$777 million to Closing the Gap initiatives over the next three years, the Government has also allocated \$16.5 million over four years to eliminate trachoma affecting around 20,000 Indigenous Australians, as well as \$4 million for mosquito control programs to prevent the spread of potentially deadly diseases such as dengue fever.

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Australian Medical Association Limited ACN 008 426 793 ABN 37 008 426 793

Notice of Annual General Meeting

Notice is hereby given that the Fifty-Second Annual General Meeting of members of the Australian Medical Association Limited will be held at 4pm on Friday 24 May 2013 at The Westin hotel, 1 Martin Place, Sydney, New South Wales.

Business

1. To receive the Minutes of the Fifty-First Annual General Meeting held in Melbourne, Victoria, on Friday 25th May 2012.
2. To receive and consider the Annual Report of the Australian Medical Association Limited for the year ended 31 December 2012.
3. To receive the audited Financial Reports for the Australian Medical Association Limited and its controlled entities for the year ended 31 December 2012.
4. To appoint auditors for the Australian Medical Association Limited and its' controlled entities.
5. To transact any other business which may properly be transacted by an Annual General Meeting.

A member eligible to vote at the Annual General Meeting may appoint a proxy in accord with Clause 22 of the AMA Articles of Association.

Mr Warwick Hough
Company Secretary
11 February 2013

Public hospital bill close to \$15 billion

The Federal Government is set to contribute almost \$15 billion to the operation of the nation's public hospitals next financial year.

Budget Papers show \$14.9 billion will be allocated to fund public hospitals in 2013-14 – a 6.2 per cent, \$871 million increase from this financial year.

Health Minister Tanya Plibersek said the figures showed the Commonwealth was providing “unprecedented funding” to public hospitals.

In addition, Ms Plibersek said, the terms of the National Health Reform Agreement guaranteed the states and territories they would receive at least \$16.4 billion in additional public hospital service funding in the next six years.

But the Commonwealth has failed in its ambition, through the Agreement, to end the funding blame game between the different levels of government.

The Budget papers include a one-off injection of \$107 million the Federal Government provided to the Victorian Local Hospital Networks late last year.

The Commonwealth bypassed the Victorian Government to make the payment directly to the Victorian hospital networks while the two levels of government were at loggerheads over changes to funding levels.

The Federal Government also withdrew almost \$11 million that had been allocated to help fund the Katherine and Gove District hospitals after the Northern Territory Government pulled out of the projects.

But it has committed \$5 million toward the construction of a dedicated paediatric emergency care unit at Canberra Hospital.

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Mental health nurses thrown a lifeline

Incentives for GPs and psychiatrists to employ mental health nurses have been extended for a further 12 months.

The Federal Government has provided \$23.8 million to sustain the Mental Health Nurse Incentive Program, which provides for the equivalent of 375 full-time mental health nurses to provide coordinated clinical care.

Minister for Mental Health and Ageing Mark Butler said the funding for 2013-14 would be provided under the same terms and conditions as currently operate for the program, and would provide for important and continued care for some of the most vulnerable people in the community.

“Mental health nurses play a key role in delivering mental health care,” Mr Butler said. “They are critical to providing vulnerable patients with support during periods of significant disability - including monitoring a patient’s mental state, medication management and linking with other support services.”

The Minister said a recent evaluation of the program had shown that patients who receive regular care from mental health nurses get the support they need and are more compliant with their treatment.

The Government has also committed \$37.4 million over four years to help improve the prevention and early detection of antenatal and postnatal depression.

Mr Butler said research showed that up to one in 10 pregnant women experience depression, and the occurrence rises to one in six in the months following birth.

“Treating the condition in the perinatal period is good for mother and child, and it is a cost-effective way of preventing mental illness later in life,” he said.

The Australian Nurses Federation said the extension of the mental health nurse program was an important decision that would sustain coordinated clinical care and support services for 60,000 patients.

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Govt lightens up on aged care supplements

The Federal Government has saved tens of millions of dollars in aged care spending by slashing eligibility for workforce supplements.

The Government has moved to exclude aged care providers who employ staff under state or territory award from access to the aged care workforce supplement, for an estimated saving of more than \$60 million over the next four years.

The supplement was introduced as part of the Living Longer. Living Better package to help providers attract and retain skilled staff.

But while the Government has tightened eligibility for some providers, it has broadened access for those operating under the Veterans' Home Care and Community Nursing programs.

The Commonwealth has also deferred its requirement that residential aged care providers carry their own insurance for accommodation bonds.

As part of its aged care reforms, the Government had planned to make providers hold insurance for any accommodation bonds they held for residents entering care on or after 1 July next year.

But it said that concerns raised during industry consultations meant the provision would be deferred, and in the interim the Commonwealth would continue to guarantee all bonds, leaving it with the liability to repay the balance of any bond left outstanding if a provider becomes insolvent.

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INFORMATION FOR MEMBERS

Free tool to track registration requirements

The AMA has developed a free online tool to help doctors to keep track of the information they need to meet the Medical Board of Australia's annual continuing professional development CPD requirements.

Each September, practitioners, when renewing their Medical Board registration, may be required to provide evidence they have complied with the Board's CPD requirements.

The AMA CPD Tracker has been developed to enable doctors to progressively gather and organise the information needed to substantiate declarations made

to the Board about CPD, so that evidence can be quickly and easily produced on demand.

The AMA CPD Tracker can be used to:

- List courses completed, including the organisation that accredited the CPD activity;
- Store all certificates of completion;
- Keep a log of practice-based reflective activities, including clinical audits, peer reviews and performance appraisals; and
- Log hours spent on online learning, reading journals, teaching and other activities.

The system keeps a tally of hours, enabling practitioners to keep track of what needs to be completed before the end of the registration year.

The Tracker has been developed taking full account of the requirements set out in the Medical Board's Continuing Professional Development Registration Standard.

The service is free to AMA members. Non-members can subscribe for an annual fee of \$250.

To register for the product, please sign up here.

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Chronic care hit by cost-cutting

Chronically ill patients could be hit with higher out-of-pocket costs after the Federal Government moved to save almost \$120 million by cracking down on what it sees as double billing by doctors treating patients with chronic ailments.

Under the move, which is part of a package of measures aimed at slashing \$871 million from primary health care spending, the Government will block GPs from claiming a standard consultation and a GP chronic disease management item for the same patient on the same day.

It has come despite warnings from the nation's GP leaders that any cut to rebates for GPs caring for the chronically ill was likely to force out-of-pocket expenses up, potentially deterring patients from seeking the care they needed.

The Commonwealth said the change, to come into effect from 1 November 2014, would "improve the efficiency and effectiveness" of Medicare, and help it to manage health expenditure.

In its first eight months of operation, the measure is expected to produce savings of more than \$25 million, while in its first full year of operation, 2015-16, the Government estimates it will save almost \$45 million.

Overall, the change is expected to deliver \$119.5 million of savings in the four years to mid-2017.

The Budget move has come as the Government pushes ahead with a review chronic disease management items.

In the lead-up to the Budget the AMA joined with other peak GP representatives in leaders in issuing a united call for chronic disease rebates to be quarantined from any funding cuts, amid concerns the review would be primarily a cost-cutting exercise.

In a meeting with Health Minister Tanya Plibersek earlier this month, AMA President Dr Steve Hambleton warned that any reduction in the rebate for GPs caring for patients with chronic conditions would lead to increased costs for the health system in the longer-

term, with any increase in out-of-pocket expenses likely to increase the risk that patients reduce or stop their treatment, making them more likely to need hospitalisation later on as their condition deteriorated.

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INFORMATION FOR MEMBERS

AMA Fee List Update – 1 April 2013

The AMA List of Medical Services and Fees (AMA List) has been updated to include new items for radiofrequency ablation for the treatment of Barrett's oesophagus, cervical artificial intervertebral disc replacement, and testing for germline mutations of the von Hippel-Lindau gene. Changes have also been made to items for the removal of rectal tumours. These items are provided in the Summary of Changes for 1 April 2013, which is available from the Members Only area of the AMA website at <http://www.ama.com.au/feelist>.

The AMA Fees List Online is available from <http://feelist.ama.com.au>. Members can view, print or download individual items or groups of items to suit their needs. The comma delimited (CSV) ASCII format (complete AMA List) is available for free download from the Members Only area of the AMA Website (www.ama.com.au). To access this part of the website, simply login by entering your username and password located at the top right hand side of the screen and follow these steps:

- 1) once you have entered your login details, from the home page hover over Resources at the top of the page;
- 2) a drop down box will appear. Under this, select AMA Fees List;
- 3) select first option, AMA List of Medical Services and Fees - 1 April 2013; and
- 4) download either or both the CSV (for importing into practice software) and Summary of Changes (for viewing) detailing new, amended or deleted items in the AMA List.

If you do not have Internet access, the AMA produces the AMA List on CD. If you wish to order a copy of this CD, please complete the following form and return to:

Ms Melanie Ford - AMA, PO Box 6090, KINGSTON ACT 2604

PLEASE PRINT CLEARLY

Name: _____

Address: _____

- I wish to order the AMA List of Medical Services and Fees on CD for \$52.

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Budget Briefs

National register for breast implants, cardiac devices

The Federal Government has moved to establish a national register of implants after the PIP breast implants saga highlighted shortcomings in the regulatory framework.

The Government has allocated \$12.1 million over four years to establish and operate a high risk implantable devices register and two "clinical quality" registers for breast implants and cardiac devices.

"The national patient contact register will ensure that patients with a high risk implantable device are contactable in the event of a serious safety risk associated with their device," the Government said. "This will involve establishing nationally consistent data requirements, unique device identifiers and standard labelling for implantable devices, and a national protocol for rapid patient identification and notification."

The AMA has welcomed the initiative after the worldwide recall of French-made PIP breast implants highlighted significant shortcomings in the ability of Australian regulators to identify and contact women and practitioners who had used the implants.

Health Workforce cuts

The Government's key adviser on the nation's future health workforce requirements has been hit by hefty budget cuts.

Health Workforce Australia will have \$20 million a year sliced from its budget in each of the next four years.

The Government said the agency would realise the

\$80 million of savings be "reprioritising programs".

"HWA will have the flexibility to achieve the savings across their administrative funding and programs to minimise the impact on individual programs, and ensure the Government's key health workforce objective continue to be met," the Budget Papers said.

But, although the agency has recently completed a series of major reports on future workforce supply and demand, the cuts come at a sensitive time.

The Federal, State and Territory governments are due to meet soon on the supply of medical intern places, and HWA is expected to play an important role in supplying the governments with accurate readings on likely future demand for internships.

Medicare promo campaign

The Federal Government has earmarked \$10 million to promote Medicare in the same Budget that has ripped hundreds of millions of dollars from primary health spending.

The Government has allocated \$6.5 million this financial year, and a further \$3.5 million in 2013-14, on a national campaign to "inform Australians about the benefits of Medicare, and to provide information to assist consumer to access these services".

The announcement appears more than a little incongruous, sitting as it does beside measures to slash more than \$871 million in Medicare Benefits Schedule spending, including an eight-month freeze of MBS rebates, cuts to chronic disease care and reduced access to the Extended Medicare Safety Net.

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