

The Victorian Medicare Action Group

13th June, 2003

The Secretary
Select Committee on Medicare,
Suite S1 30
Parliament House,
CANBERRA ACT 2600

Dear Sir / Madam,

Re: Submission to the Senate Select Committee on Medicare

The Victorian Medicare Action Group would like the Senate Select Committee on Medicare to consider this submission addressing the following matters outlined in the terms of reference.

The Victorian Medicare Action Group (VMAG) is a coalition of consumer groups, churches, community health centres, local government, trade unions, G.P.'s, the Victorian Council of Social Service, Health Issues Centre and a number of interested individuals. VMAG has two key aims:

1. to campaign for a strong and sustainable universal health system through Medicare and promote community debate about the Commonwealth Government's and Opposition's proposed changes to Medicare, and
2. to provide consumers with a voice in this policy area.

Access to and affordability of general practice

The access to and affordability of general practice under Medicare, with particular regard to:

- (A) The impact of the current rate of the Medicare Benefits Schedule and Practice Incentive Payments on practitioner incomes and the viability of bulk-billing practices:

Clearly the current rebate provided for GP's is not adequate to maintain a bulk-billing practice. Many members of VMAG are community health services who provide bulk billing GP services as part of their organisation. Many of these report an inability to maintain bulk billing practices. Some are only able to maintain their services by subsidising their medical practices with State Government funds received for allied health services.

Many Members of VMAG report that GP practices in many parts of Victoria have now abandoned bulk billing and some GP practises promote that they do not bulk bill

any patients. Some GP practices use this as a way of attracting GPs to their practices, and it is implied in their advertising that they will see people who can afford to pay for the services, with the underlying assumption being that these patients will appreciate the service because they have paid. In return the GP will receive a higher remuneration for working in a practice such as this. The end result is that many consumers particularly those on low incomes who have the worst health outcomes, are excluded from these practices.

On the issue of practice incentive payments, (PIPs) many GPs report that these are absorbed into the day to day operation of the practice. Payments are always late with no explanation and the process is far too bureaucratic. The level of PIPs is not adequate enough to make a significant difference to the quality of the services provided.

GP shortages and timely care

(B) The impact of general practitioner shortages or patients' ability to access appropriate care in a timely manner.

Many members and participants in meetings and forums of VMAG report an inability to access bulk billed GP services. Many GPs report that they can no longer afford to meet the costs of running a bulk billed GP service.

In parts of rural and regional Victoria, a shortage of GPs is a significant problem, and of particular concern. This is evident through reports from many communities of their inability to access a GP both in working hours and, especially, after hours. In some towns in rural and regional Victoria, there are very significant waiting times just to see a GP. Severe GP shortages are being experienced in many parts of Victoria. The effect of lack of choice in accessing GPs means that GPs can set a higher price for their service. Where there are limited numbers of GPs this increases GPs income and reduces accessibility for patients, particularly those on low incomes. While there is a clear need for more training and education of GPs, particularly from regional areas, the Government's proposed incentive schemes are not lucrative enough to make it sensible for GPs to shift their practices.

Many community health services in Victoria report an inability to recruit GPs to bulk billing practices. In many areas the issues of lack of affordability of services is exacerbated by lack of availability of GPs.

The Victorian Medicare Action Group has been collecting many stories from consumers and their carers. Typical of these are the following:

A mother with three children in a large town in regional Victoria cannot afford to access a GP for herself and three children when they all have the flu. The total cost would be \$160 plus pharmaceuticals. She simply doesn't attend. As the problem worsens she attends the emergency department of a hospital.

A person attending a GP practice in a country town owes the GP money and is scared to re attend the GP. A welfare agency intervenes to assist the person access a GP service. The nearest bulk billing practise is over an hours drive away.

Parents with a child with a severe mental illness require a GP visit in the middle of the night. Locum is unable to attend for several hours and if they do attend will cost \$140. Only alternative is to visit the emergency department of a hospital.

A daughter desperately tries to arrange a GP to visit her father in a Victorian outer urban aged care facility. After ringing 25 GPs one finally agrees to visit at a cost of \$160.

An aged care facility in the outer Western suburbs, does not even bother trying to ring a GP as none are ever available, but just calls an ambulance to take residents to the emergency department of a hospital.

Recommendation 1

The Victorian Medicare Action Group would propose that entry into medicine be reviewed to ensure broader representation made much easier than it currently is.

Recommendation 2

We would also propose that GPs be licensed to practise in specific communities. It is not sound public policy for GPs to be trained at the tax payers' expense without any controls on where they are able to practise.

Recommendation 3

That funds pooling between State, Commonwealth and Local Government be implemented throughout Australia. This would result in a model which is similar to that being successfully operated in Victoria.

Recommendation 4

We would propose that the Government create community health services throughout Australia which are governed by community communities, who may be elected from the community or by the appointed Minister. These would be responsible through a joint Commonwealth-State-Local Government relationship to integrate funding streams for activities such as allied health services, nursing, maternal and child health services, aged care packages, linkages packages, post acute care services, and hospital demand management programs. This would create an integrated primary health care service within each community. Part of this service system would be either salaried or contracted GPs.

Funds pooling does currently occur in some parts of the service system, but it is not consciously supported by either the Commonwealth or State Governments. It is critical that better integration of primary health care services and the development of a national primary health care policy are put in place.

The Victorian Medicare Action Group does not claim that simply increasing bulk billing is an adequate response to the needs of the community. However, bulk billing has become the corner stone of our primary health care service and until sound alternatives are put in its place, which ensure access and affordability of health services regardless of income or location it remains one of the few universally available tax payer funded health care services models.

Impacts of Commonwealth Government's Proposals

- (C) The likely impact on access, affordability and quality services for individuals, in the short and longer term of the following Government announced proposals:

The impact of allowing only health card holders to access tax payer funded health care will create a multi-tiered system where those who are bulk billed will be those who have health cards. The consequence of this will be those without health cards will be increasingly paying more for the services of a GP.

Those people who have a level of income that just puts them over the health card eligibility criteria will be paying significant fees to access GP health care services. These amounts will increase progressively as the rebate level fails to keep pace with the true costs of running a medical practice.

This would create a stigmatised welfare styled health system, where the poor would be clearly identifiable in any practice relative to those who could afford to pay. This would also create issues around social cohesion. Medicare and health care should be one of the things in Australia that are equitably available regardless of income levels.

Australia already has a situation where those people on low incomes have the worst health outcomes. The process of identifying health card holders as the only beneficiaries of tax payer funded services would mean that the working poor in our community would be significantly disadvantaged. This would particularly impact on people in country and regional Victoria and Australia, where they have little choice about the GPs that they use.

The issue of changes to arrangements relating to payment at the point of service is problematic in that it sends a message to GP's that they can increase the price of this co-payment whenever they choose. This would result in higher costs to the consumer as the GP fees are uncapped and can increase at the discretion of the GP. Inherent in the Government's proposal is that they want the consumer to pay for services at the point of delivery. This is clearly a user pays philosophy and sends a message to GPs that the Commonwealth Government wants them to pass their costs onto the consumer and consequently undermines the principle of universality.

There is also significant confusion within the community in relation to what concessions people are eligible for. Creating further complexity in this system would only increase confusion.

If the Government were to increase support for bulk billing this would mean that safety net considerations would not need to be taken into account, ie: people pay for bulk billing services through progressive tax that everyone pays. Those with greater income pay more; those with lesser income pay less. At the point of service delivery everybody is covered regardless of their income level with no need for reference to concessions cards or health cards. This principle of universality needs to be protected for all Australians.

Such a universal system is more equitable in ensuring access to services without the need for reference to various concessions, and it is also administratively simple. This would seem to be far more sensible and equitable in ensuring access to services.

Alternatives

(D) Alternatives in the Australian context that could improve the Medicare principles of access and affordability, within an economically sustainable system of primary care:

Clearly there are a range of additional services that are chronically short of funding at a local level. These include allied health and dental services. VMAG strongly advocates for funds pooling at a local level. We believe that the Victorian community health model has much to recommend itself in terms of its capacity to link bulk billing GP practices with State funded allied health services and State and Commonwealth funded Home and Community Care (HACC) services, as well as a disparate range of other services such as disability services, mental health services, residential aged care services etc. These services pool funds in neighbourhoods which ensure access to integrated service models. The nature of the funding silos and problems that exist between State and Federal governments currently make this extremely difficult to achieve.

The Victorian Medicare Action Group strongly supports the transfer of all primary health care to either the Commonwealth Government or State Governments. Alternatively, the establishment of an independent commission to provide health care and report on the health status and effectiveness of health systems at a national level has some merit.

Consumers and service providers are extremely confused at the fragmentation and lack of integration of services. In the eyes of the consumer this is wasteful, inefficient and serves only the purposes of politicians, bureaucrats and some of the health care professionals whose interests would not be served by integrated services models.

Recent studies undertaken by Prof. Steven Duckett at La Trobe University indicate that the private health insurance rebate is both inefficient and lacks clear accountability back to the community. These studies indicate that this money would be far more efficiently spent in the public health system where there is far clearer accountability of the system back to the community and politicians. It further indicates that the competitive nature of private health insurance companies and the profit motive lead to lack of effectiveness.

The Victorian Medicare Action Group believes that the funds currently available through private health insurance should be transferred to support the public system both through the hospitals networks and for primary health care.

As indicated we consider that there are many alternative ways of funding medical practitioners. We believe that the development of integrated primary health care teams at the local level is a far better model. This could involve GPs on salaries or as contractors, working in multi disciplinary clinics within neighbourhoods.

The other important concept to be embraced in primary health care is that of health education, early intervention and prevention. Incentives need to be developed for GPs to maintain the health and well being of communities instead of only treating illness.

It is therefore vitally important that GPs along with acute hospitals take a population health approach. This would mean that more sophisticated indicators relating to high needs groups within communities and their health and wellbeing should be developed. From these indicators, GPs, along with hospitals and other publicly funded health care providers, could understand their effectiveness - not based on how many patients they saw but rather on the health and well being of the community they serve, and their role in improving that health and well being.

Accountability for this should be shared between the health professionals and communities that are being served through direct feed-back to the Government.

Conclusion

Many of the causes of ill-health in Australia are related to the social determinants of health: lack of income, inadequate housing, education and social connectedness. The primary health care system while focusing on medical interventions needs to have far more consideration for the causes of ill health rather than just the symptoms of ill health.

This requires working in partnership with communities in ensuring that responsibility lies with the communities and the medical practitioners and other health workers to creatively respond to issues of ill health within particular population groups. Public health services need to work with and be accountable back to their communities.

VMAG would welcome the opportunity to present at the Victorian Public Hearings of the Senate Select Committee on Medicare.

Yours sincerely,

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Victorian Medicare Action Group

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