RACGP

Royal Australian College *of* General Practitioners

Pre-budget submission

2019–20

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Healthy Profession.
Healthy Australia.

Pre-budget submission 2019–20

Recommended citation

The Royal Australian College of General Practitioners. Pre-budget submission 2019–20. East Melbourne, Vic: RACGP, 2019.

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Published February 2019

We acknowledge the Traditional Custodians of the lands and seas on which we work and live, and pay our respects to Elders, past, present and future.

Introduction

The Royal Australian College of General Practitioners (RACGP) thanks the federal government for the opportunity to contribute to discussions regarding the 2019–20 federal Budget.

The RACGP is Australia's largest general practice organisation, representing over 39,000 members working in or toward a career in general practice.

The RACGP is responsible for:

- defining the nature and scope of the discipline
- setting the standards, curriculum and training
- maintaining the standards for quality general practice
- supporting specialist general practitioners (GPs) in their pursuit of excellence in patient and community service.

Each year, specialist GPs and their practice teams provide care to nearly 90% of all Australians.[1] Despite general practice being the most accessed form of healthcare, it represents only 6.8% of total government (including federal and state/territory) health expenditure.[2]

Successive funding cuts to general practice, including Medicare and funding for the Aboriginal Community Controlled Health sector, has had a devastating impact on health service delivery. The current model of community care is unsustainable and requires significant and immediate government investment.

Increased support for general practice and the Aboriginal Community Controlled Health sector will improve health outcomes for all Australians and bring efficiencies and cost savings to the entire health system. The RACGP is therefore calling for the government to demonstrate a genuine commitment to the health of all Australians by investing in quality and accessible general practice services.

Recommendations

The RACGP recommends the federal government commit to the following.

Modernising medicine by:
• introducing patient rebates for non–face-to-face GP consultations provided by email, phone or video call
Reducing patient out-of-pocket costs and supporting GP services by:
• introducing genuine indexation against the consumer price index (CPI), to ensure the value of patient rebates keep pace with inflation
Providing more support for mental health by:
• introducing additional GP mental health items for longer consultations
Supporting high-quality care for those who need it most by:
• investing in longer consultations (level C and D items) to support the ongoing delivery of complex care • funding the 2019 version of the RACGP's *Vision for general practice and a sustainable healthcare system*

1. Modernising medicine

Issue

Patients and GPs want flexibility

Patients want the same flexibility in health as they have for all other services, but are unsupported to access flexible care through the outdated Medicare system. Despite the huge technological advances in medicine, Medicare has seen minimal change since its inception in 1984. The federal government must improve access to care by supporting patients to access their regular GP without requiring a face-to-face consultation.

Telehealth, or technology-based contact with patients, via phone consultation, video consultation or email, can complement traditional face-to-face consultations – facilitating the partnership between patients and their usual GP.

The RACGP Technology Survey 2017 found that only three in 10 GPs currently use telehealth services. However, GPs were optimistic about telehealth, with 45% of respondents indicating they would use telehealth as part of their practice if funding was made available.

Modernising medicine will improve access to care

The use of technology can improve healthcare accessibility, particularly for those who experience poorer health outcomes and barriers to accessing health services, such as regional, rural and remote communities, people with chronic disease or mobility issues, Aboriginal and Torres Strait Islander peoples, and culturally and linguistically diverse communities.[3]

At present, Medicare will only support GP consultations that are provided face to face, with the exception of recently announced limited funding to support rural GPs in remotely providing mental health support to patients in drought-affected areas. In contrast, Medicare has allowed patients receiving care from an Aboriginal health service or living in rural areas or a residential aged care facility to access care provided by non-GP medical specialists via telehealth since 2013.

The RACGP is of the view that a patient's eligibility to talk to their regular GP via any means should not be determined by where they live, but rather their need. Telehealth services should be available for all patients to communicate with their regular GP where clinically appropriate. For example, e-communication would benefit all patients for short follow-up appointments to explain test results, or for maintaining regular contact in chronic disease management.

Action required

The RACGP calls on the federal government to commit to support GPs and practices to communicate with their regular patients via phone, email and other electronic methods.

It is the RACGP's position that Medicare Benefits Schedule (MBS) rules that state consultations must be conducted face to face should be amended to allow non–face-to-face care where appropriate. This amendment is unlikely to have a significant impact on service delivery, as it would only be used as an alternative to a consultation that would already occur under the current system.

As part of this measure, the federal government should support the development and delivery of specific training and resources for GPs regarding the use of telehealth and secure email in clinical care for non–face-to-face consultations.

2. Reducing out-of-pocket costs

Issue

Out-of-pocket costs are increasing exponentially

Each year, patients are bearing a greater share of their healthcare costs due to longstanding issues around the lack of adequate funding for GP services.

Over the last five years, average patient out-of-pocket costs for a GP visit have increased by 30%. Since 2005–06, patient out-of-pocket costs for a GP visit have increased by a massive 140%, yet over the same period the patient rebate (for MBS item 23, the most commonly billed GP item) has increased by only 19% (Figure 1).[1]

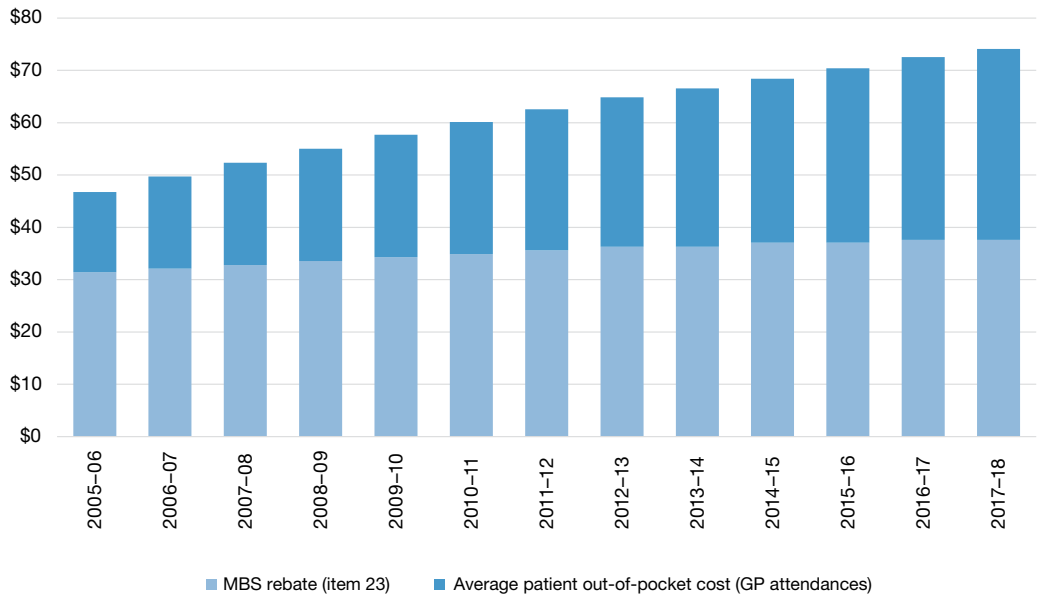

Figure 1. MBS average patient contribution for GP attendances is increasing

This increase in cost is beginning to affect patient health, as over one million Australians report delaying accessing care due to concern about the cost.[4] High medical costs limit access for Aboriginal and Torres Strait Islander patients, who in general have lower incomes and greater healthcare needs. Avoidance of care due to cost is concerning, as health problems are magnified when left untreated, resulting in poor outcomes for patients and increased costs to the broader health system.

Medicare rebates do not accurately reflect the costs of care

MBS rebates alone are not indicative of the value or cost of providing general practice services. Patient rebates do not reflect, and have never accurately reflected, the cost of providing high-quality general practice care. Additionally, the patient rebate has not kept pace with inflation (Figure 2). This is largely due to the Medicare rebate freeze resulting in a lack of indexation, but also due to the use of the Wage Cost Index 5 (WCI5) as opposed to the CPI.

To ensure viable business models, GPs should set fees that reflect the cost and value of the care provided. As evidenced through MBS data, costs of care provided have continued to increase year on year, but the patient rebate has not kept pace. As a result, the government's contribution to patient care now only covers around 50% of total cost of privately billed patients.

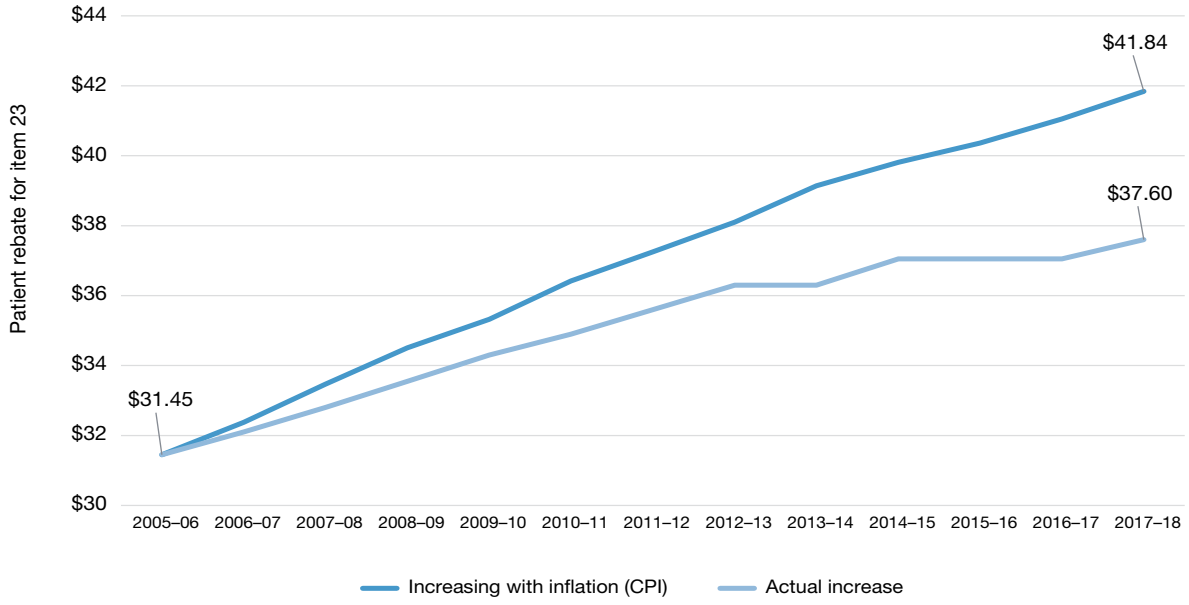

Figure 2. Devaluing of patient rebates for GP consults, as compared against the consumer price index

Many GPs have foregone income and absorbed the rising cost of providing care in efforts to ensure services remain accessible and affordable for patients. This is evidenced in the most recent Australian Institute of Health and Welfare (AIHW) International Health Data Comparisons 2018, which shows that Australian GPs have the lowest average income among 15 Organisation for Economic Co-operation and Development (OECD) countries.

GPs are increasingly finding it unsustainable to cover the costs of providing care solely through the MBS patient rebate. As a result, patient out-of-pocket costs are increasing and the growth in the bulk-billing rate is slowing year on year. If this trend continues, the bulk-billing rate is projected to decline from 2019–20 (Figure 3).

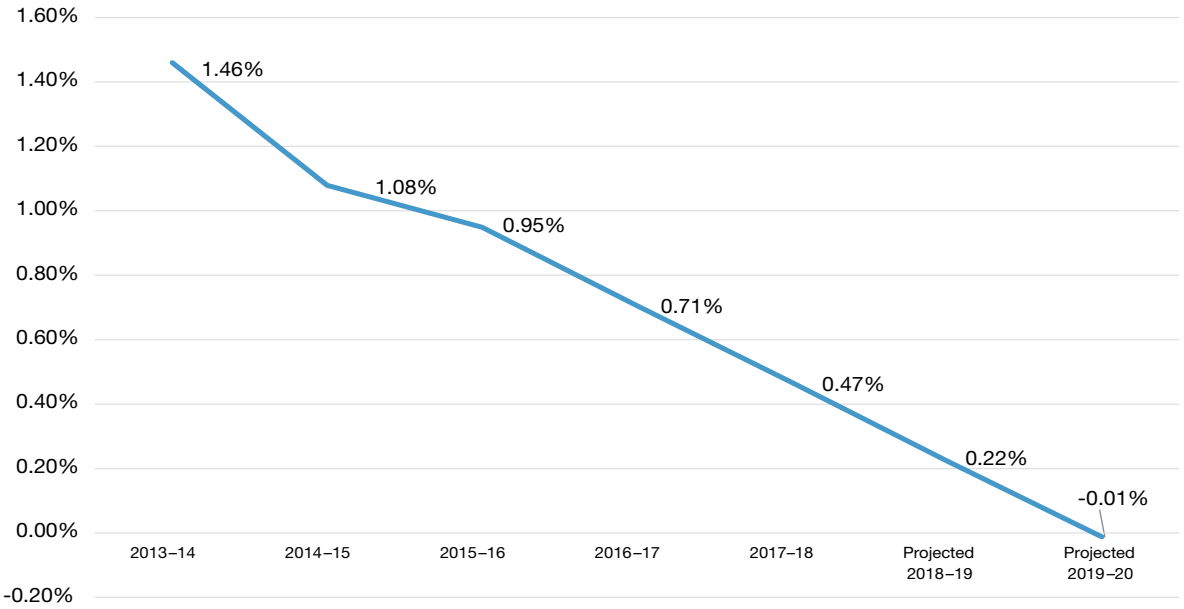

Figure 3. Decline in the growth of the bulk-billing rate – Estimated to dip in 2019–20

Action required

The RACGP calls on the federal government to commit to introducing appropriate and regular indexation for patient rebates in order to ensure the value of patient rebates keep pace with inflation.

The MBS is indexed against the WCI5, resulting in levels of indexation lower than CPI. Therefore, as the costs of providing care increases, the proportion of costs covered by the patient rebate reduces.

This issue is magnified further, as the costs associated with the delivery of healthcare increase annually at a rate even greater than CPI (referred to as 'health CPI'). Health CPI is consistently higher than CPI due to the cost of advancements in medical technologies and treatments. Over the last five years, health CPI has been an average of 2.3 percentage points higher than CPI.

3. Supporting mental health services

Issue

Almost half (45%) of the adult population in Australia will experience a mental health issue in their lifetime, with one in five people experiencing a mental illness in any given year. Mental health is particularly prevalent in populations such as Aboriginal and Torres Strait Islander people, youth in remote areas, and low socioeconomic areas.[5] It is therefore unsurprising that mental health is the most common reason patients visit their GP.[6]

GPs are usually the first port of call for people seeking help with a mental illness. Patients with undiagnosed mental illness often present to their GP with physical symptoms – and determining the underlying mental health issues takes time. However, the MBS does not support mental health consultations lasting more than 40 minutes.

Australians collectively visited their GP for mental health related issues an estimated 18 million times in 2015–16.[5] Yet, Medicare data indicates that only 3.2 million Medicare-subsidised mental health-specific GP services were provided.[5] One explanation for this inconsistency could be that GPs might bill a Level D (item 44 for a consultation lasting more than 40 minutes) instead of the designated mental health items. If this is the case, it is undoubtedly contributing to inaccurate data, masking the true prevalence of mental health.

Mental health services need to be supported by Medicare, and item numbers must be reviewed to ensure payments accurately reflect the complexity of services provided by GPs. The time taken to assess and diagnose the patient, create a holistic health plan and coordinate patient care, liaise with other mental health providers and complete paperwork, require MBS items to support longer GP consultations.

Action required

The RACGP calls on the federal government to commit to introducing Level D and Level E mental health consultations.

A Medicare item number (2713) exists for a mental health consultation longer than 20 minutes. The value of this rebate is equivalent to item 36 (Level C general consultation of 20–40 minutes).

The RACGP proposes additional MBS item numbers for longer mental health consultations:

- 40–60 minutes – funded equivalent to the value of item 44 (Level D general consultation) + 18.5% (refer to section 4)
- 60 minutes or more – the RACGP proposed value of a Level E mental health consultation is listed in Table 1.

Table 1. Patient rebates for mental health consultations

Proposed mental health MBS item numbers	Proposed rebate value
Level D mental health item number (40–60 minutes)	$126.97
Level E mental health item number (60+ minutes)	$166.33

The costs of implementing this measure will be offset by a reduction in billing for the corresponding professional attendance item.

4. Supporting high-quality care

Issue

The Australian population is getting older – and sicker. As the population ages, treatment and management of chronic disease is required for extended periods of a person's life. This is important for all Australians, but especially for Aboriginal and Torres Strait Islander patients, who experience multiple medical conditions and more disability at a younger age. As a result, the cost of healthcare for governments and individuals is increasing at an unsustainable rate.

The average patient consultation is more complex than ever, requiring extensive time and skill from a GP. Almost half of all Australians, and 87% of Australians over the age of 65, report having one or more chronic disease or condition.[7] Yet, the value of the patient's rebate decreases significantly as they spend more time with their GP, penalising patients who require longer consultations.

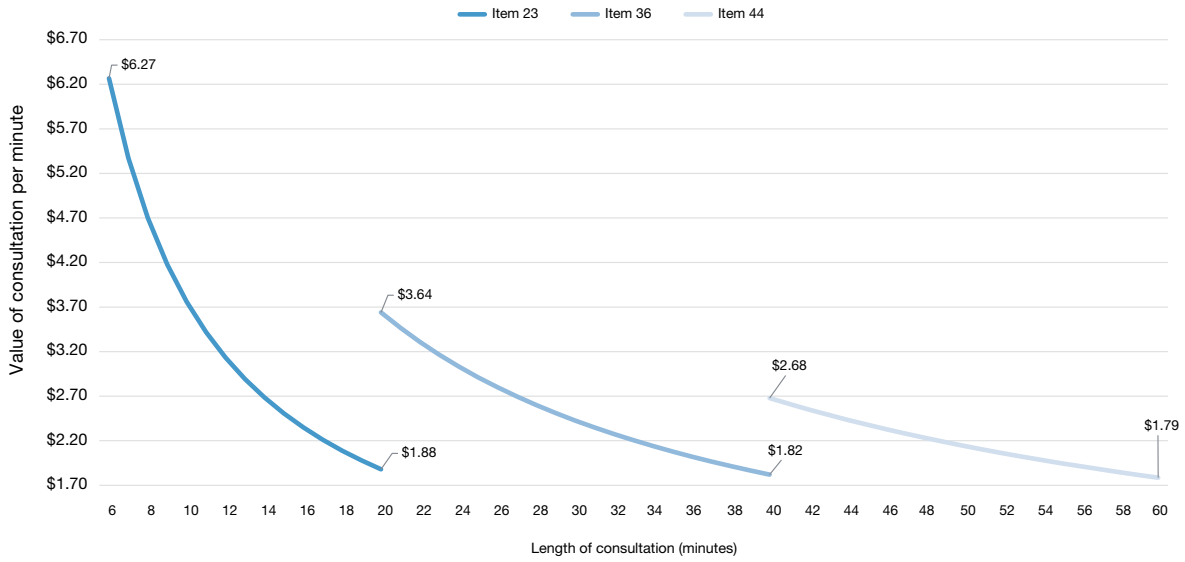

Figure 4. MBS rebates drop in value every minute

It is essential that GPs are supported to provide patients with complex care when they need it. However, providing complex care takes time and the current MBS structure is not designed to adequately support this type of care. Failure to support longer consultations in the general practice setting will inevitably result in increased hospital presentations and increased government costs, as GPs will be unable to continue to bear the cost of providing complex care.

Disparity in specialist recognition is also a contributing factor impacting the delivery of quality care. GPs undertake vocational specialist medical training to meet a recognised professional standard before they are recognised medical specialists and eligible to access specialist GP patient rebates. However, the MBS still significantly undervalues GP services compared with those provided by other medical specialists. This disparity requires urgent correction.

The above examples highlight the inadequacies of the current MBS system that continue to present significant barriers for GPs in delivering care. To appropriately support the health of all Australians, including those with complex health needs, the government must:

- address the existing inadequacies of the MBS (eg value and weighting of rebates for Level C and Level D consultation items)
- introduce additional funding to support aspects of care currently unavailable through Medicare.

Action required

The RACGP calls on the federal government to commit to increasing the value of Level C and Level D consultations by 18.5%.

The RACGP is calling for the federal government to increase the MBS rebate for Level C and Level D professional attendances provided by GPs by 18.5% to align with the rebates for other medical specialists.

This will improve supports for GPs caring for patients with complex needs and go some way in reducing out-of-pocket costs for these patients, while also introducing more appropriate recognition for GPs as medical specialists in the MBS.

This first step should be applied for all Level C and Level D professional attendances, whether conducted in the consultation room or a residential aged care facility, or provided via a telehealth consultation. The 18.5% increase should also be applied to consultation items that prompt a payment via the Practice Incentives Program (PIP) and for mental health consultation items.

Table 2. Funding required to support reweighting of Level C and Level D professional attendances

	2019–20	2020–21	2021–22
Estimated services*†	23,882,285	24,596,693	25,334,594
Increase rebate value for Level C and Level D consultations by 18.5%	$417m	$440m	$465m

*Services have been estimated using 2017–18 data for items (36, 44, 2504, 2521, 2525, 2552, 2558, 2713) and assuming an increase of services at 3% each year, based on the 10-year average increase in out-of-hospital non-referred GP/vocationally registered (VR) services

†MBS items where a ready reckoner is applied have not been included in calculations. The RACGP is waiting details of changes to the ready reckoner items following announcement in the 2018–19 Mid-Year Economic and Fiscal Outlook – the 18.5% should be applied to the rebate value for these items

The RACGP calls on the federal government to fully fund the RACGP's Vision for general practice and a sustainable healthcare system *(2019).*

While making the much-needed improvements to the MBS are essential, these alone will not be enough to ensure a sustainable health system in the long term.

The RACGP's *Vision for general practice and a sustainable healthcare system* (the Vision) describes an alternative model for sustainably funding modern general practice. Developed by GPs in consultation with consumers and other health stakeholders, it is aligned with international best practice and modern health system approaches, and provides solutions to a range of issues and pressures facing the Australian healthcare system.

The Vision proposes several improvements to ensure an adequately supported and appropriately structured fee-for-service system, while also introducing additional practice and practitioner support payments to facilitate the delivery of essential aspects of care, including:

- health service coordination
- continuity of care
- general practice infrastructure
- quality improvement activities
- comprehensive care
- team-based care
- teaching and education.

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