

Co-payment compromise puts extra burden on doctors

Written by The Conversation

The government has stepped back from its A\$7 proposed co-payment for visiting the GP but still aims to skin the Medicare cat, putting the onus on doctors to send a \$5 price signal to non-concessional patients.

In a more politically savvy package than the blunt-edged budget announcement that had no hope of passing the Senate, the government has decided that eight million people, including pensioners and children, will be exempted from a co-payment with no change to their bulk-billing arrangements.

But the government is looking for almost the same savings as the original plan – \$3.5 billion over the forward estimates compared with \$3.6 billion in the budget, Tony Abbott told a news conference.

The doctors will carry a substantial burden in the compromises the government has made, including a long-term freeze on rebates and new arrangements for consultation times.

The new package should have a much stronger chance of surviving the Senate. With the carve-outs it is more consumer-friendly, and part of it will be done by regulation – which can be disallowed but where the government needs one fewer vote than required for legislation.

The wonder is that the Coalition did not land here a lot earlier.

This is the second [“barnacle”](#) that Abbott has tackled this week. On Sunday he gave notice that his paid parental leave scheme will be cut back and some of the funds put into child care. Last week he abandoned proposed changes to Defence Force allowances.

The main elements in the revised Medicare plan are:

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Rebates for non-concessional patients will be cut by \$5, with doctors having the “option” of charging a \$5 co-payment;

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Exemptions from the rebate cut/co-payment apply to pensioners, Commonwealth concession card holders, children under 16, eligible veterans, attendances at residential aged care facilities, and pathology and diagnostic imaging services;

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To get the “standard” consultation rebate a doctor will have to spend at least ten minutes with a patient. Abbott said that at present the same rebate could be obtained for a six-minute consultation as for a 19-minute one;

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Rebates for GPs, medical specialists, allied health professionals, nurse practitioners, midwives, optometrists and dental surgeons will be frozen until July 1, 2018.

While politically the exemption of concessional patients makes the package less controversial and easier to sell to the public, it does remove for a large portion of the population the “price signal” the government wants to send.

Health Minister Peter Dutton said GPs could collect the \$5 co-payment from non-concessional patients or wear the reduction in the rebate. Abbott stressed that charging the co-payment was at the doctor’s “discretion”.

By changing the timing arrangements in relation to the rebate, the new model would yield savings for the government through reducing the capacity of doctors to see patients very quickly while getting standard rebates.

Abbott said this was a quality control measure. “We all know about the phenomenon of

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six-minute medicine, sausage machine medicine – some clinics where patients are churned through. The standard rebate will only apply if the consultation goes for a reasonable time.”

The Prime Minister said the government had “very, very significantly improved” the original package; the expenditure review committee had been “chewing over” the revision for some weeks and it was ticked off by cabinet on Tuesday. The saving will still go into the proposed new medical research future fund.

The Australian Medical Association said the new model was a mixed bag. AMA president Brian Owler welcomed the exemption for vulnerable patients and for pathology and diagnostic imaging, but he criticised the freeze on the rebates and the \$5 cut. “At a time when general practice is in need of significant new investment to cope with an ageing population and more people with chronic disease, today’s announcement represents a disinvestment in quality general practice,” he said.

While also welcoming aspects of the changes, the president of the Public Health Association of Australia, Heather Yeatman, said: “Our GPs are being forced to do the dirty work of the government. Either they lose \$3 billion from their own pockets over the next three and a half years or drag it from the wallets of the bulk of their patients.”

The Consumer Health Forum said: “The government is turning GPs into its bagmen for the death of universal health care”.

The government is sticking to its original start date of July 1, 2015, for the rebate cut and the co-payment. The new consultation time requirements are to start on January 19.

The co-payment has been a strong issue for the opposition and Labor remained on the attack. Bill Shorten said there would be “still a tax on going to the doctor”.

Abbott had changed his talking points but not his wish to wreck Medicare, he said. The Prime Minister was bringing the GP tax through the backdoor when he could not get it through the front door. Shorten said Abbott wanted to turn the GP into a “Tony Abbott tax collector”.

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The Greens were also critical. Health spokesman Richard Di Natale said the government was trying to slash payments to doctors “so that they are forced to do the government’s dirty work.

“The freeze on indexation will impact just as much as the \$5 decrease by ripping hundreds of millions out of Medicare over the long term,” he said.

Operating via regulation after parliament had risen “is another desperate and sneaky attempt to subvert the will of the parliament”. The Greens would be moving a disallowance motion at the first available opportunity when parliament resumed next year.

Clive Palmer, leader of the Palmer United Party, said: “The co-payment is dead and this is a victory for the Palmer United Party”.

But PUP’s senator Glenn Lazurus tweeted: “Abbott Government dumps GP Co-payment for a GP Woe-payment. What a NASTY government!”

Independent senator Jacqui Lambie, an ex-PUP, said she needed to see the plan in detail and consult before taking a final stand but any proposal from Abbott “must be viewed with suspicion, given it’s proven he has no respect for the universal nature of Medicare”.

Independent senator Nick Xenophon said the government seemed “to be declaring war on GPs”.

But the strongest Liberal critic of the \$7 co-payment, senator Ian Macdonald, who threatened to cross the floor on the measure, was happy. “Well done Tony,” he said in a statement.

“It is a sign of real leadership when a Prime Minister can acknowledge mistakes and take decisive action to correct them,” Macdonald said. “Coming on top of the redrawing the paid parental leave proposal, this announcement shows we have a government that listens and understands.”

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But Macdonald added a sting in the tail. “It is also a demonstration of the importance of road testing new announcements with elected MPs who are always in touch with their electorates.”

That’s a message to which quite a few Coalition MPs would be saying, at least in the privacy of their offices, “hear hear”.

Michelle Grattan does not work for, consult to, own shares in or receive funding from any company or organisation that would benefit from this article, and has no relevant affiliations.

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