

FactCheck: are bulk-billing rates falling, or at record levels?

Written by Thomas Longden, Senior Research Fellow, University of Technology Sydney

Falling bulk-billing rates ... – **Labor leader Bill Shorten, [address](#) to the National Press Club, Canberra, January 31, 2017.**

Bulk-billing is at record levels ... – **Prime Minister Malcolm Turnbull, [address](#) to the National Press Club, Canberra, February 1, 2017.**

In speeches delivered 24 hours apart, Labor leader Bill Shorten and Prime Minister Malcolm Turnbull made conflicting claims about the state of bulk-billing rates in Australia.

A bulk-billed consultation occurs when the fee charged by the doctor or medical provider is equal to the benefit paid by Medicare - leaving zero out-of-pocket cost to the patient. The percentage of Medicare-funded consultations that are bulk-billed is referred to as the *bulk-billing rates*

These rates are widely seen as a proxy indicator of the accessibility of Medicare-funded health care.

Shorten said that bulk-billing rates are falling. The next day, Turnbull stood at the same lectern and said bulk-billing rates are at record levels.

Who was right?

Checking the sources

When asked for sources to support his statement, a spokesperson for Bill Shorten said:

The government's figures [show](#) that from June to September 2016 the bulk-billing rate for non-referred attendances fell from 84.6% to 84.1%.

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The spokesperson added:

Through an information request through the Parliamentary Budget Office, we know that for item 23 – a standard GP consultation – we also know the bulk-billing rate is falling: from 82.81% in April 2016 to 82.38% in May 2016 to 81.97% in June 2016. This trend continues as is reflected in the rate falling for all non-referred attendances from June to September.

The Conversation has independently verified those figures, which are not publicly available.

A spokesperson for Malcolm Turnbull told The Conversation that:

The headline [bulk-billing rate](#) of 85.1% for GP services is the official bulk-billing figure for 2015-16. This is the highest bulk-billing rate for GP services since 1984-85 (when Medicare started) – ie: record levels.

The headline bulk-billing rate of 78.2% for all Medicare services is the official bulk-billing figure for 2015-16. This is the highest bulk-billing rate for Total Medicare services since 1984-85 (when Medicare started) ie: again, record levels ... the bulk-billing rate has been reported on a consistent basis under all governments since 1984-85.

You can read the full responses from Shorten and Turnbull [here](#) .

Same source, different statistics

Both Shorten and Turnbull's statements are supported by the Department of Health's Medicare Statistics – but Shorten has quoted [quarterly statistics](#) while Turnbull has quoted [annual figures](#) .

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They are also both looking at slightly different categories within the Medicare bulk-billing data collected by the Department of Health.

Overall, however, neither politicians' sound bite provide a complete picture on what's happening with bulk-billing in Australia.

Yearly data on bulk-billing rates show record highs

The chart below shows the annual bulk-billing statistics for the financial years from 1984-85 to 2015-16. It shows the bulk-billing rate for all Medicare claims combined and selected services – not just GP visits.

For overall Medicare claims (the red line), the bulk-billing rate in 2015-16 reached 78.2%. As correctly stated by Turnbull, this is an all-time high within the annual statistics.

Annual bulk-billing levels were also at record highs last financial year for non-referred GP attendances (which, by and large, means going to see your GP), pathology services and diagnostic imaging.

However, the bulk-billing rate for specialist services (the black line) in 2015-16 was at 30.2%, still below the record level set in 1995-96 of 32.5%.

So, technically, Turnbull is right to say bulk-billing rates are at record highs – as long as you use annual statistics and ignore the most recent data for the July to September 2016 quarter.

But quarterly data show bulk-billing rates fell in the third quarter of 2016

[Quarterly statistics](#) on bulk-billing rates are shown in the chart below.

As you can see, drilling down to the quarterly data reveals that bulk-billing rates fell in the third

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quarter of 2016.

For total Medicare claims (the red line), bulk-billing rates fell by 1.1% in between the June and September 2016 quarters. But it is worth noting that it fell from the highest bulk-billing rates on record (78.7%).

The fall between June and September 2016 is the 11th biggest quarterly decrease (in percentage terms) since Medicare's inception. But while it was a relatively large drop in bulk-billing, it is still within the range of quarterly variability that we've seen historically.

For non-referred GP attendances (the blue line), the September quarter data shows a 0.6% fall in bulk-billing rates compared to June 2016. For pathology services (the orange line), the bulk-billing rate fell by 1.7% in the September quarter which is in addition to a 0.23% fall in the June quarter.

So, technically, Shorten is correct to say that the latest data show a fall in the bulk-billing rate – but he has zeroed in on a very recent fall that is within the range of normal variability. This recent drop doesn't tell us much about the overall trend.

There is considerable variation in the quarterly bulk-billing rate. This makes it difficult, at this stage, to say anything certain about whether bulk-billing rates will continue to fall as part of a downward trend, or whether the latest quarterly decline is just an anomaly.

Longer-term trends trump quarterly data

The Department of Health is set to release the December quarter data later this month. This much anticipated release will give further insights into whether a downward trend in bulk-billing rates is emerging or whether the last quarter was a blip.

The figures for the last quarter of 2016 are likely to attract considerable attention as policymakers will be eager to learn whether the Medicare indexation freeze is having an effect on bulk-billing rates.

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The freeze has been in place since 2014 and is set to continue until 2020. In effect, that means that the Medicare contribution to each health care service has not changed for the last three years.

Others have [argued](#) that this will put pressure on doctor's ability to bulk-bill.

Note that there was substantial negative bulk-billing growth in the period after the last Medicare indexation freeze and this did impact the annual level of bulk-billing.

What bulk-billing rates don't tell us

One of the fundamental aims of Medicare is to improve access to care. Bulk-billing rates serve as an important proxy on how Medicare is performing with respect to allowing people of all income groups to access health care.

However, there are significant limitations. Bulk-billing rates cannot tell you, for example, whether bulk-billing services are fairly distributed across income groups or people in high health care need.

And headline bulk-billing rates do not reveal out-of-pocket costs for those patients who are not bulk-billed.

For example, for people who were not bulk-billed (almost 70% of specialist consultations) the average patient co-payment for a specialist consultation was \$72 ([as shown in Table 1.5a in the quarterly Department of Health statistics](#)).

So any discussion of health care access needs to go beyond one simple headline measure.

Verdict

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Technically, Shorten and Turnbull were both right – but their quotes don't tell the whole story.

Shorten's statement that we are seeing "falling bulk-billing rates" is correct if you look at the most recent quarterly statistics for total Medicare bulk-billing claims. But that fall was within the range of variation that we observe every quarter. Furthermore, one quarter of data is not enough to be making such generalised statements on total Medicare bulk-billing rates.

As Shorten's [full response](#) notes, there has also been a fall for three consecutive quarters in bulk-billing for GP visits lasting less than 20 minutes. However, this data is not publicly available so we can't say for sure that there's a trend in this particular item.

Turnbull's statement that "bulk-billing is at record levels" is correct if you look at the yearly statistics, though it doesn't factor in the decrease in bulk-billing in the third quarter of last year.

It is too early to say whether the recent quarterly fall in total Medicare bulk-billing rates was an anomaly or perhaps signals a broader trend. Data due for release within the next week will tell us more about the true state of bulk-billing in Australia. – **Thomas Longden and Kees Van Gool**

Review

This FactCheck is accurate and fair. It presents the statistical information most relevant to the problem and clearly contrasts the data that each politician drew from in making their statements. A couple of further points:

First, the [full response](#) provided by Bill Shorten's office mentions that bulk-billing rates specifically for item 23 (a standard level B GP consultation lasting less than 20 minutes) decreased in the three consecutive quarters to June 2016. Compared to the bulk-billing rates for the broader Medicare Benefit Schedule categories, this may suggest a slightly more convincing pattern of decline – but only for this particular item.

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Second, bulk-billing rates vary considerably across states. Some states experienced a larger drop in bulk-billing rates in the September 2016 quarter than others. For example, Tasmania's bulk-billing rate for non-referred GP services declined by more than 2% whilst the Northern Territory's rate showed no decline. Likewise, the annual statistics show that Tasmania's bulk-billing rate for non-referred GP services fell between 2014-15 and 2015-16 even as the country's bulk-billing rate rose to record levels.

These variations in state trends can be obscured when we focus solely on data for Australia as a whole. – **Rosemary Elkins and Stefanie Schurer**

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