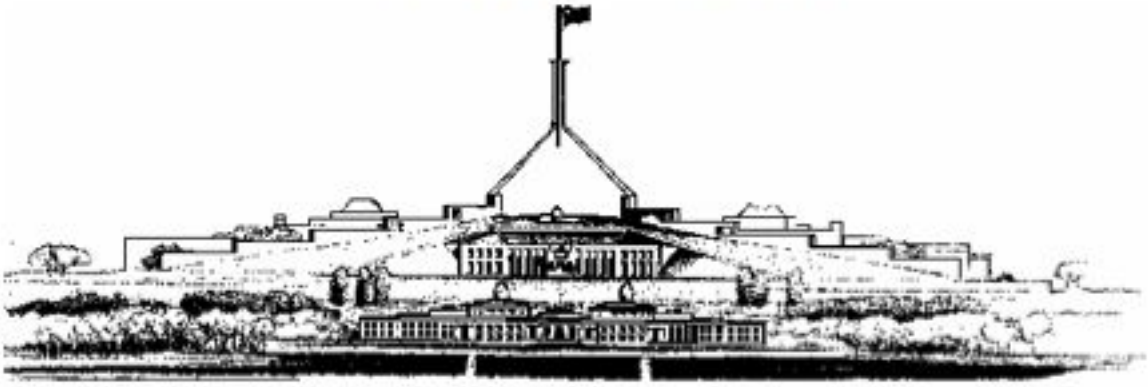
COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

ADJOURNMENT

Medicare: Bulk-Billing

SPEECH

Wednesday, 23 May 2001

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date	Wednesday, 23 May 2001	**Source**	House
Page	26935	**Proof**	No
Questioner		**Responder**	
Speaker	Cox, David, MP	**Question No.**	

Mr COX (Kingston) (7.30 pm)—This is the tale of two practices, two GP practices that service my electorate—one in an area with a greater proportion of families on low incomes than almost any other part of the country has, and the other in a more affluent area. The problems they face are a consequence of the government's lack of commitment to Medicare and its efforts to contain the cost of Medicare at the expense of the availability and quality of health services. There is no doubt that bulk-billing has been substantially eroded. Indeed, it has vanished completely in large parts of Australia.

The tale of the first practice comes from a couple who operate a small family practice in a low-income area. They bulk-bill. Very few of their patients would be able to afford gap fees. They came to tell me that it is becoming almost impossible to operate a small bulk-billing practice that provides quality medicine. In fact they gave me the names of seven doctors and practices in the local area that have closed or moved, partly as a result of low Medicare rebates and poor working conditions. Some of those doctors have re-established practices in slightly more affluent areas where they can charge gaps.

The doctor and his practice manager, his wife, said they had been forced to cut their own pay to keep their bulk-billing practice open. The doctor is taking home $30 an hour—which is less than half the $70 an hour paid to two doctors they employ—while his wife, as practice manager, is paid for 30 hours work at the relevant rate, when she does about 60 hours work. At my request they gave me a breakdown of the costs and income for their practice over the last year: accountancy fees, pre GST, $3,140; advertising, $1,583; bank charges, $1,536; borrowing costs, $511; computer expenses, $725; depreciation, $8,808; donations, $424; insurance, $3,957; interest, $6,654; electricity, $756; locum fees—when they can get one—$1,603; motor vehicles, $20,146; printing and stationery, $3,899; rent, $11,261; maintenance, $1,453; salaries and wages, $141,626; security, $1,069; staff training, $993; professional memberships—one of which they have deleted—$3,204; superannuation contributions, $7,542; surgical supplies, $9,579; telephone, $4,104; and Workcover, $140.

Their total expenses were $234,712. The total income of the practice over the same period was $236,709. The profit for the year is less than $2,000 or about $38.40 per week. That is after the principals—the doctor, and his wife as practice manager—paid themselves less than half the rate they would receive if they were working for someone else. It shows that small, quality family practices in low-income areas are an endangered species. The government claims an average increase of $13,990 in doctors' incomes as a result of the adjustment it announced to Medicare rebates in the budget last night. We will have to wait and see whether that has an effect on the rate of erosion of bulk-billing.

The second tale relates to the other major factor that is affecting the quality of health care in my electorate—the shortage of doctors. The practice is also a high-quality practice. It came to my attention when I was told that it is not taking any new patients. Patients who have been with the practice for 10 years are having severe difficulty getting an appointment. The practice services 13,000 patients. It charges gap fees of $12, and $5 for pensioners and kids.

The government has, since 1996, limited the number of Medicare provider numbers. Graduating doctors are now required to undergo a training program with the Royal Australian College of General Practitioners before they can receive a provider number. That has the effect of improving the quality of doctors that enter general practice, but the government limits the number of training places for which a provider number will be available. In South Australia, the training places are limited to 24 per year, whereas 70 or 80 doctors apply. The result, if patients cannot see a GP, is that they are forced to go to a public hospital accident and emergency department, putting more pressure on them. Little wonder that one of the A&E departments in my electorate has a permanent sign telling patients there is a three-hour wait. That sign is there to discourage people and send them back to their GPs. Those A&E departments are paying $70 or $80 an hour for a doctor with a provider number. To the extent that the government is saving anything by shuffling people between overcrowded practices and overcrowded accident and emergency departments, it is doing so only by creating a situation where people simply are not being seen by a doctor at all. *(Time expired)*