



Media Statement: Government policy threatens bulk-billing and the viability of regional General Practice

The Hunter General Practice Association warns that an estimated 7.5 million dollars a year, used to provide cost effective high quality primary care, will be denied to the most vulnerable in our community when government policy changes come in to effect next year.

The Government is Reducing Bulk Billing

The “[Stronger Rural Health Strategy - Rural bulk billing incentives](#)” is due to come in to effect in January 2020. Under the [Modified Monash rurality classification](#), the Newcastle and Maitland region is now classified as MM1, the same rating as the centre of Sydney. From January 2020 the bulk billing incentive for greater Newcastle will decrease from \$9.50 to \$6.30. This reduction in MBS revenue across this MM1 footprint is estimated to be at least 7.5 million dollars.

Access to primary care at no cost to the most vulnerable in our community is a well understood [strategy to improve national health outcomes and reducing significant tertiary health care associated costs](#). The [RACGP](#) estimates that better supporting general practices as they currently operate would save an annual 4.5 billion dollars. Despite this understanding, access to bulk billed general practice faces extinction. The Medicare rebate issued to patients by the government continues to fall short of the costs of delivering high quality care. As just one other example, the “MBS freeze” from 2013 to 2019 has left a shortfall of 18.5% in MBS revenue for general practice, which has only in part been addressed MBS Indexation with 1.5% in July 2019. The compounding effect of this new government policy seriously threatens the viability of high quality bulk billed general practice in the Hunter Region. Many of the region’s practices who already operate at a loss to provide high bulk-billed quality general practice to their most vulnerable patients, including children, will be forced to either charge a gap to previously BB (Bulk Billed) patients, reduce services, or close.

The Governments strategy is short sighted

The “[Stronger Rural Health Strategy - Rural bulk billing incentives](#)” is a short sighted strategy designed to shift work force into more rural areas. Newcastle, Maitland, Kurri Kurri, Raymond Terrace and immediate surrounds will now be classified [MM1](#), the same as Sydney or Melbourne. These changes have serious implications that have not been addressed. There is a failure to recognise:

- That this funding, dressed up as “incentives”, has been used to prop up the inadequate MBS rebate available to patients
- That the re classification as MM1 assumes that the Hunter region has access to the same benefits of a major city and yet
 - The public hospital system remain under extreme pressure
 - The [disadvantaged population](#) is grossly overrepresented within our footprint.

- Shortland-Jesmond and Mount Hutton-Windale have the 1st and 3rd highest levels of poverty outside of Sydney
- Mount Hutton-Windale has the 5th highest level of child poverty outside of Sydney
- Shortland-Jesmond has the highest level of poverty in older people outside of Sydney
- That the bulk-billing rates for GP services in the Newcastle and Shortland electorates [are already falling](#)
- That of the 47 Federal electorates in NSW:
 - the [bulk-billing rate for GP services in the Newcastle electorate is already the 6th lowest in the state](#) (Shortland is 13th lowest, and Paterson is 17th lowest).
 - The [percentage of patients who have all GP services bulk-billed in the Newcastle electorate is just 48.4%, the 5th lowest in the state](#) (58.1%/11th lowest in Shortland; 62.1%/15th lowest in Paterson). This compares to the rates of over 90% (and up to 96.7%) in Chifley, Fowler, Werriwa, Blaxland, McMahon, Macarthur, Watson, Greenway, Parramatta, Berowra and Lindsay.
- That as a direct result there will be further reduced access to bulk-billed services in our region.

The Government needs to reinstate funding and support bulk-billing in Regional Centres

The HGPA supports any efforts to improve access to Bulk-Billed services especially in rural and remote areas, However it calls on the government to

1. Reinstate workforce and MBS incentives supporting General Practice to provide services to the most in need in regional centres; including a specific exemption allowing the Hunter region access to MBS item 10991 from the 1st of January 2020 onwards;
2. Increase General Practice funding to address shortfalls from years of cuts and reduce out of pocket costs for patients, especially the most vulnerable.

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Resources:

Australian Bureau of statistics- Interactive Maps, (Relative Socio-economic Disadvantage , the Index of Relative Socio-economic Advantage and Disadvantage, Economic Resources (IER), Education and Occupation

<https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/2033.0.55.001~2016~Main%20Features~Interactive%20Maps~7>

Rural workforce classifications for specific locations can be accessed on the Health workforce locator on the Commonwealth DrConnect site: <https://www.health.gov.au/resources/apps-and-tools/health-workforce-locator>

The Dr Connect provides general information about workforce programs: <https://www.health.gov.au/initiatives-and-programs/doctorconnect>