

# **Briefing: Bulk Billing Incentive Payment in the Lower Hunter Region**

**Prepared for the Federal Minister of Health, the Hon Greg Hunt MP**

**15<sup>th</sup> January 2020**

## Summary

The reduction to the Bulk Billing Incentive Payment introduced in the Lower Hunter on 1<sup>st</sup> January 2020, by applying the Modified Monash Model 2019 regional classification to MBS item 10991, is intended to better support rural health.

However:

- Bulk Billing rates for the Lower Hunter
  - o are already very low in comparison to the 47 NSW federal electorates, with the seats of Paterson, Shortland and Newcastle ranked 31<sup>st</sup>, 35<sup>th</sup>, and 42<sup>nd</sup>
  - o were already falling in Shortland and Newcastle from 2017-18 to 2018-19
- Unlike other low Bulk Billing regions, such as North Sydney, this is combined with high levels of relative socioeconomic disadvantage.
  - o According to ABS data, Kurri Kurri-Abermain (Paterson) and Mt Hutton-Windale (Shortland) are in the most disadvantaged decile in the country
  - o Shortland-Jesmond (Newcastle) and Mount Hutton-Windale (Shortland) have the 1st and 3rd highest levels of poverty outside of Sydney
  - o Mount Hutton-Windale has the 5th highest level of child poverty outside of Sydney
  - o Shortland-Jesmond has the highest level of poverty in older people outside of Sydney
- There are other, more appropriate changes that will support rural health (including the alignment of the *Workforce Incentive Program* with the Modified Monash Model 2019)

The above information shows that the most vulnerable and disadvantaged in our community are already struggling to access primary health care. The changes to the Bulk Billing Incentive Payments will, by preventing access to MBS item 10991 and taking at least \$7.5 million out of the lower Hunter region, make it even harder.

For the health of the most vulnerable and disadvantaged people of the Lower Hunter region, it is of the utmost importance that an exemption be made for this region regarding access to MBS item 10991.

## Stronger Rural Health

*“The Stronger Rural Health Strategy aims to build a sustainable, high quality health workforce that is distributed across the country according to community need, particularly in rural and remote areas.”<sup>1</sup>*

The above aim is a laudable. The grave concern is with the impact on the Lower Hunter following changes to the rural classification system, based on the Modified Monash Model (MMM) 2019, used to determine eligibility to the different Bulk Billing Incentive item numbers. From the 1<sup>st</sup> of January 2020, using the Modified Monash 2019 classification, the Lower Hunter has been unable to access Bulk Billing Incentive MBS item 10991 (\$9.50), and must instead use MBS item 10990 (\$6.30) – a difference of \$3.20.<sup>2</sup>

Ostensibly, the aim of the changes is to *“incentivise more health professionals to work and stay in rural and remote areas”*.

It is important to consider the origin of the Bulk Billing Incentive payment – it was to incentivise bulk-billing. That increased rebate of \$3.20 per patient may go some way to achieving that in areas with low bulk-billing rates.

However, as it evident from the title given to the scheme, this payment was not primarily intended to encourage medical practitioners to relocate to rural or remote regions.

In fact, there is and has been a specific and separate program for that, the *Workforce Incentive Program (WIP) - Doctor & Practice Streams*<sup>3</sup>, previously known as the General Practice Rural Incentives Program (GPRIP). It is noted that from 1<sup>st</sup> January 2020, the WIP is also using the MMM 2019 to calculate payments for the program, to *“effectively target[] financial incentives to health professionals working in areas that experience greater difficulty attracting and retaining staff.”* This tiered program, providing up to \$60,000 per annum<sup>4</sup> to an individual medical practitioner, and \$125,000 to a rural/remote practice<sup>5</sup> is entirely appropriate, as a specific payment intended to encourage medical workforce to move to more rural/remote regions.

However, it is far more debatable whether a \$3.20 payment per bulk-billed consultation would have anywhere near the same effect on workforce relocation as the WIP. In a personal communication from a GP who is a fellow of the Australian College of Rural and Remote Medicine (ACCRM), and who works in both Merriwa (MM5) and Stockton (MM1), the GP noted that:

- Few patients are bulk-billed in rural/remote regions,<sup>6</sup> so the extra \$3.20 per bulk-billed patient is unlikely to gross up to a significant sum compared to the WIP.

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<sup>1</sup> <https://www.health.gov.au/resources/corporate-plan-2018-2019/our-performance/stronger-rural-health-strategy>

<sup>2</sup> The difference between MBS item 10990 (\$6.30) and MBS item 10991 (\$9.50) - <https://www.health.gov.au/sites/default/files/download-pdf.pdf>

<sup>3</sup> <https://www1.health.gov.au/internet/main/publishing.nsf/Content/work-pr-wip-workforce-incentive-program>

<sup>4</sup> [https://www1.health.gov.au/internet/main/publishing.nsf/Content/B9983F50BC3E2C92CA2583840079BB9E/\\$File/WIP%20Guidelines.pdf](https://www1.health.gov.au/internet/main/publishing.nsf/Content/B9983F50BC3E2C92CA2583840079BB9E/$File/WIP%20Guidelines.pdf), Page 8

<sup>5</sup> [https://www1.health.gov.au/internet/main/publishing.nsf/Content/B9983F50BC3E2C92CA2583840079BB9E/\\$File/WIP%20Guidelines.pdf](https://www1.health.gov.au/internet/main/publishing.nsf/Content/B9983F50BC3E2C92CA2583840079BB9E/$File/WIP%20Guidelines.pdf), Page 41

<sup>6</sup> In 2015-2016, the proportion of GP services in the region of the Hunter Medicare Local for which a 10990 or 10991 was billed was 79%; this compares to 14% for the region of the New England Medicare Local for the same period ([http://medicarestatistics.humanservices.gov.au/statistics/do.jsp? PROGRAM=%2Fstatistics%2Fmcl\\_mbs\\_group\\_report](http://medicarestatistics.humanservices.gov.au/statistics/do.jsp? PROGRAM=%2Fstatistics%2Fmcl_mbs_group_report&DRILL=on&MCLSORT=name&WHERE=111&SCHEME=MBS&BTOS=99&GROUP=mbsitm&RPT_FMT=by+time+period&PTYPE=finyear&START_DT=201507&END_DT=201606; http://medicarestatistics.humanservices.gov.au/statistics/do.jsp? PROGRAM=%2Fstatistics%2Fmcl_mbs_group_report))

- The GP's commented that, "...the reason I go to Merriwa is nothing to do with the bulk-billing incentive".

To summarise – it is not appropriate to align the Bulk Billing Incentive with MMM 2019 to attempt to relocate medical workforce as:

- the intent of the Bulk Billing Incentive payment was primarily to encourage bulk-billing – not to shift workforce;
- the level of financial incentive involved is unlikely to have an effect on workforce relocation;
- the reclassification will reduce bulk-billed primary care access from regions with significantly high numbers of vulnerable and disadvantaged populations;
- there is another specific program (WIP) designed for this very purpose, for which alignment with MMM 2019 is entirely appropriate .

## Bulk-Billing in the Lower Hunter Region

The Federal Electorates in the Lower Hunter affected by the Bulk Billing Rebate reclassification are Newcastle, Shortland and Paterson.

Out of 47 NSW Federal Electorates:<sup>7</sup>

Table 1 – Bulk Billing rate for GP attendances

Electorate	2017-2018	2018-2019	State ranking
<b>Chifley</b>	99.2%	99.2%	1 <sup>st</sup> of 47
<b>Fowler</b>	98.8%	98.9%	2 <sup>nd</sup> of 47
<b>Paterson</b>	85.0%	85.5%	31 <sup>st</sup> of 47
<b>Shortland</b>	84.0%	83.9%	35 <sup>th</sup> of 47
<b>Newcastle</b>	78.8%	77.8%	42 <sup>nd</sup> of 47
<b>Wentworth</b>	70.7%	70.6%	46 <sup>th</sup> of 47
<b>Warringah</b>	65.0%	65.2%	47 <sup>th</sup> of 47

Table 2 – Percentage of Patients with all GP attendances Bulk Billed

Electorate	2017-2018	2018-2019	State ranking
<b>Chifley</b>	96.8%	96.7%	1 <sup>st</sup> of 47
<b>Fowler</b>	95.8%	96.1%	2 <sup>nd</sup> of 47
<b>Paterson</b>	61.7%	62.1%	33 <sup>rd</sup> of 47
<b>Shortland</b>	58.6%	58.1%	37 <sup>th</sup> of 47
<b>Newcastle</b>	49.9%	48.4%	43 <sup>rd</sup> of 47
<b>Wentworth</b>	45.3%	45.3%	46 <sup>th</sup> of 47
<b>Warringah</b>	39.2%	39.1%	47 <sup>th</sup> of 47

Bulk Billing rates in Paterson, Shortland and Newcastle are low, and in case of Shortland and Newcastle, falling even before the change in the Bulk Billing Incentive payment.

<https://www1.racgp.org.au/RACGP/media/AJGP/documents/Appendices/GP-bulk-billing-rates-by-electorate.pdf>

<sup>7</sup> <https://www1.racgp.org.au/RACGP/media/AJGP/documents/Appendices/GP-bulk-billing-rates-by-electorate.pdf>

## Socioeconomic Disadvantage in the Lower Hunter Region

Data from the 2016 census has been summarised by the Australian Bureau of Statistics into the Index of Relative Socio-economic Advantage and Disadvantage (IRSAD), which measures people's access to material and social resources and their ability to participate in society.<sup>8</sup> The following table uses IRSAD to rank regions in one of ten equally-sized groups, where 1 (one) indicates relatively greater disadvantage and 10 (ten) relatively greater advantage.<sup>9</sup>

*Table 3 - Comparing Index of Relative Socio-economic Advantage and Disadvantage (IRSAD) with Bulk Billing rates*

Region/Electorate	IRSAD decile (1 = most disadvantaged; 10 = least disadvantaged)	IRSAD: National-ranking	% Bulk Billing rate: 2018-19	% Patients with all GP attendances Bulk Billed: 2018-19
<b>Mt Druitt/Chifley</b>	1	172 of 2184	99.2%	96.7%
<b>Cabramatta/Fowler</b>	1	50 of 2184	98.9%	96.1%
<b>Kurri Kurri- Abermain/Paterson</b>	1	141 of 2184	85.5%	62.1%
<b>Mt Hutton- Windale/Shortland</b>	1	110 of 2184	83.9%	58.1%
<b>Shortland- Jesmond/Newcastle</b>	2	269 of 2184	77.8%	48.4%
<b>Bondi Beach – North Bondi/Wentworth</b>	10	2117 of 2184	70.6%	45.3%
<b>Manly- Fairlight/Warringah</b>	10	2136 of 2184	65.2%	39.1%

A number of observations can be made from Table 3:

- Some regions with the greatest relative disadvantage also have the highest Bulk Billing rates – e.g. Mt Druitt, Cabramatta
- Other regions with the greatest relative advantage also have the lowest Bulk Billing rates – e.g. Bondi Beach, Manly
- The lower Hunter includes regions that combine both high levels of disadvantage and some of the lowest Bulk Billing rates in the state

<sup>8</sup> <https://www.theguardian.com/news/datablog/ng-interactive/2018/mar/27/how-socio-economic-disadvantage-varies-area-by-area-in-australia>

<sup>9</sup> "A low score indicates relatively greater disadvantage and a lack of advantage in general. For example, an area could have a low score if there are: many households with low incomes, or many people in unskilled occupations, AND few households with high incomes, or few people in skilled occupations. A high score indicates a relative lack of disadvantage and greater advantage in general. For example, an area may have a high score if there are: many households with high incomes, or many people in skilled occupations, AND few households with low incomes, or few people in unskilled occupations."

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

The National Centre for Social and Economic Modelling (NATSEM) October 2019 report “*Mapping Economic Disadvantage in NSW*”<sup>10</sup> also noted that:

- a. Shortland-Jesmond and Mount Hutton-Windale have the 1<sup>st</sup> and 3<sup>rd</sup> highest levels of poverty outside of Sydney
- b. Mount Hutton-Windale has the 5<sup>th</sup> highest level of child poverty outside of Sydney
- c. Shortland-Jesmond has the highest level of poverty in older people outside of Sydney

From the above observations:

- a. It is reasonable to exclude metropolitan regions with relatively high levels of disadvantage, such as Mt Druitt and Cabramatta, from the higher Bulk Billing rebate (e.g. MBS item 10991), as their rates of Bulk Billing are already very high – amongst the highest in the state
- b. It is reasonable to exclude metropolitan regions with low levels of Bulk Billing, such as Bondi Beach and Manly, from the higher Bulk Billing rebate (e.g. MBS item 10991), as their levels of relative *advantage* are very high – amongst the highest in the state
- c. It is *not* reasonable to exclude regional areas such as Kurri Kurri, Windale and Shortland from the higher Bulk Billing rebate (e.g. MBS item 10991), as their levels of relative disadvantage are very high – amongst the highest in the state; AND their levels of Bulk Billing are very low – amongst the lowest in the state.

And yet, according to the MM 2019 model, Kurri Kurri, Windale and Shortland are now classified as being in the same category as Bondi Beach and Manly; and thus excluded from accessing the higher Bulk Billing Incentive payment.

## General Practice Funding

General Practices across the region have developed their billing models around allowing patients from low socio-economic background to access high quality health care with no out of pocket expense.

The RACGP estimates that better supporting general practices as they currently operate would save an annual 4.5 billion dollars.<sup>11</sup> Instead the GP MBS freeze from 2013 to 2019 has left a shortfall of 18.5% in MBS revenue for general practice, and GP practices have struggled to maintain Bulk Billing through these reductions in revenue. The reintroduction of MBS Indexation with 1.5% in July 2019 will at best maintain the current situation.

Whilst a drop of \$3.20 per Bulk Billed consultation may not sound impressive, the cumulative shortfalls are very substantial, as calculated by Hunter GPs:

- a. \$12,000 per annum for a solo GP (Whitebridge Medical Centre)
- b. \$75,000 per annum for a group practice (Broadmeadow Medical Centre)
- c. \$84,000 per annum for a group practice (Brunker Road General Practice)

Across the Lower Hunter, at least \$7.5 million dollars will be removed from our region as a result of this change (Appendix 1).

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<sup>10</sup>

<https://www.ncoss.org.au/sites/default/files/Web%20Version%20Mapping%20%20Economic%20Disadvantage%20%20in%20New%20South%20Wales%20report1.pdf>

<sup>11</sup> <https://www.racgp.org.au/FSDEDEV/media/documents/RACGP/Advocacy/The-role-of-government-in-supporting-the-vision.PDF>

## Bulk Billing Rates are Falling

The changes to the Bulk Billing Incentive Payments combined with the MBS Freeze means that providing Bulk Billing services is no longer a realistic option for most practices, if they want to provide good quality General Practice at no out-of-pocket cost to the disadvantaged and/or most vulnerable patients, including pensioners and children.

Bulk Billing rates were already falling in our region from 2017-18 to 2018-19.

Our members have confirmed that as a direct result of the changes to the Bulk Billing Incentive Payments, General Practices in the Lower Hunter have already been forced to commence or increase gap payments from patients to cover the costs of running a practice.

## Local Response

- GPs in the Hunter region provide over 10,000 instances of care per day, adding up to about 4 million per annum.<sup>12</sup>
- At the start of December 2019, the HGPA commenced a campaign to reach out to our community:
  - **Media campaign:**
    - “[HGPA01 Media Statement- Rural MBS](#)”<sup>13</sup> – released to local media (Newcastle Herald, ABC local radio, 2NUR FM<sup>14</sup>). Interviews for radio and newspaper articles completed (newspaper articles attached – Appendix 2).
  - **Waiting room campaign:**
    - Posters for printing
      - “[HGPA02 Poster RURAL REBATE Region v4](#)”<sup>15</sup> – publicising \$7.5 million loss to our region, notifying of increase in fees/cessation of bulk-billing, and pointing patients to online petition
      - “[HGPA03 Poster RURAL REBATE Practice v4](#)”<sup>16</sup> – as above but educating patients re: loss to individual practice – editable .docx format, to be customisable to individual practices
    - Slides for electronic signage
      - “[HGPA04 RURAL REBATE ElectronicSignage v4](#)”<sup>17</sup> – .pptx format; to be copied into Powerpoint slideshows used in waiting rooms
    - Hardcopy petition (20 pages default) for patients to sign
      - “[HGPA07 Poster RURAL REBATE PetitionHardcopy v4](#)”<sup>18</sup> – for at GP reception counters
  - **Consultation room campaign:**
    - PBS script template

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<sup>12</sup>

[http://medicarestatistics.humanservices.gov.au/statistics/do.jsp?\\_PROGRAM=/statistics/mcl\\_mbs\\_group\\_report&WHE RE=111&BTOS=99&SCHEME=MBS&RPT\\_FMT=by+time+period&PTYPE=finyear&START\\_DT=201507&END\\_DT=201606&DRILL=on&GROUP=1](http://medicarestatistics.humanservices.gov.au/statistics/do.jsp?_PROGRAM=/statistics/mcl_mbs_group_report&WHE RE=111&BTOS=99&SCHEME=MBS&RPT_FMT=by+time+period&PTYPE=finyear&START_DT=201507&END_DT=201606&DRILL=on&GROUP=1)

<sup>13</sup> [https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa01\\_media\\_statement\\_-\\_rural\\_mbs\\_-\\_v3.pdf](https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa01_media_statement_-_rural_mbs_-_v3.pdf)

<sup>14</sup> Audio at <https://www.huntergpa.org/stop-out-of-pocket-costs.html>

<sup>15</sup> [https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa02\\_poster\\_rural\\_rebate\\_region\\_v4.docx](https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa02_poster_rural_rebate_region_v4.docx)

<sup>16</sup> [https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa03\\_poster\\_rural\\_rebate\\_practice\\_v4.docx](https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa03_poster_rural_rebate_practice_v4.docx)

<sup>17</sup> [https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa04\\_rural\\_rebate\\_electronic signage\\_v4.pptx](https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa04_rural_rebate_electronic signage_v4.pptx)

<sup>18</sup> [https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa07\\_poster\\_rural\\_rebate\\_petitionhardcopy\\_v4.doc](https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa07_poster_rural_rebate_petitionhardcopy_v4.doc)

- “[HGPA05 RURAL REBATE PBS Script v5](#)”<sup>19</sup> – for pre-printing on PBS scripts to hand to patients
  - **Social Media campaign:**
    - <https://www.facebook.com/huntergpa/>
    - Online Petition - [bit.ly/huntergp](http://bit.ly/huntergp)
- At the time of writing, at least 1200 Hunter residents have signed the online or hardcopy petitions

## Recommendations

1. Support the disadvantaged and vulnerable elderly and paediatric population in the Lower Hunter by reinstating MBS incentives supporting general practice in regional centres either by:
  - a. including a specific exemption allowing the Lower Hunter region access to MBS item 10991, OR
  - b. modifying the MBS 10991 item descriptor to include consideration of disadvantage, +/- Bulk Billing rates, +/- remoteness
2. Increase General Practice funding to address shortfalls from years of cuts, and reduce out of pocket costs for patients.

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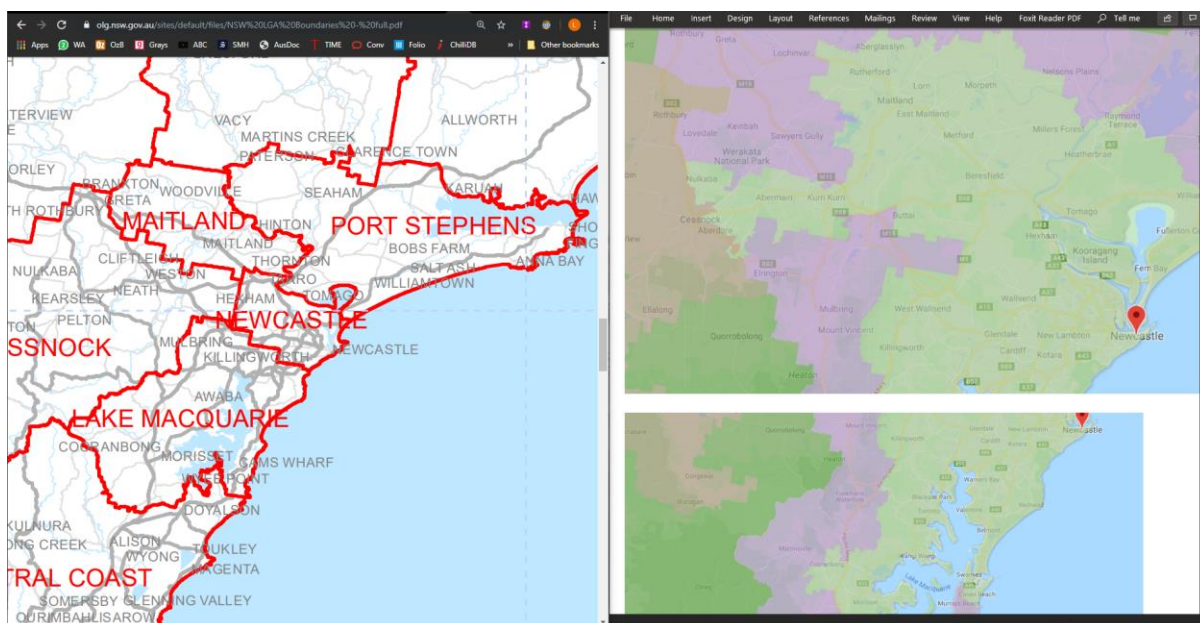
<sup>19</sup> [https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa05\\_rural\\_rebate\\_pbs\\_script\\_v5.docx](https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa05_rural_rebate_pbs_script_v5.docx),  
[https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa06\\_rural\\_rebate\\_pbs\\_script\\_user\\_guide.pdf](https://www.huntergpa.org/uploads/4/4/1/2/44121637/hgpa06_rural_rebate_pbs_script_user_guide.pdf)



## Appendix 1

### Financial Impact of the January 2020 MBS 10991 changes on the Hunter urban region

- From 1/1/20, General practices in MM1 regions will no longer be able to access MBS item 10991, the rural-bulk billing incentive payment. Instead, affected practices in the greater Newcastle region will only be able to access MBS item 10990.
- Granular MBS item data is not available online after FY15/16.
- MBS item 10991 services with dollar value \$26,003,018 were rebated in FY 15/16 in the Hunter Medicare Local region according to [http://medicarestatistics.humanservices.gov.au/statistics/do.jsp? PROGRAM=/statistics/mcl\\_mbs\\_item\\_report&WHERE=111&BTOS=99&SCHEME=MBS&RPT\\_FMT=without%20time%20period&PTYPE=finyear&START\\_DT=201507&END\\_DT=201606&DRILL=on&GROUP=M0101](http://medicarestatistics.humanservices.gov.au/statistics/do.jsp? PROGRAM=/statistics/mcl_mbs_item_report&WHERE=111&BTOS=99&SCHEME=MBS&RPT_FMT=without%20time%20period&PTYPE=finyear&START_DT=201507&END_DT=201606&DRILL=on&GROUP=M0101)
- The MBS Rebate for 10991 in 2016 was \$9.25 according to [http://medicarestatistics.humanservices.gov.au/statistics/do.jsp? PROGRAM=/statistics/mcl\\_mbs\\_item\\_report&WHERE=111&BTOS=99&SCHEME=MBS&RPT\\_FMT=without%20time%20period&PTYPE=finyear&START\\_DT=201507&END\\_DT=201606&DRILL=on&GROUP=M0101](http://medicarestatistics.humanservices.gov.au/statistics/do.jsp? PROGRAM=/statistics/mcl_mbs_item_report&WHERE=111&BTOS=99&SCHEME=MBS&RPT_FMT=without%20time%20period&PTYPE=finyear&START_DT=201507&END_DT=201606&DRILL=on&GROUP=M0101)
- Cost to Hunter Medicare local region of removing access to MBS item 10991 if all Hunter Medicare Local areas were affected =  $\$26003018 / 9.25 \times \$3.20$  (difference between MBS item 10991/\$9.50 and MBS item 10990/\$6.30) = \$8,995,639
- HOWEVER – not all regions under the former Hunter Medicare Local (HML) will be affected.
- Information about the former HML circa 2015 indicates a total population of 701,691 ([https://web.archive.org/web/20150324121817/http://www.myhealthycommunities.gov.au/Content/downloads/ml-health-signatures/HC\\_ADLE\\_Report\\_hunter.pdf](https://web.archive.org/web/20150324121817/http://www.myhealthycommunities.gov.au/Content/downloads/ml-health-signatures/HC_ADLE_Report_hunter.pdf))
- Note that the above approximates the population of the Hunter region, as defined by local government areas, of 634,572 (2016 data - [https://en.wikipedia.org/wiki/Hunter\\_Region](https://en.wikipedia.org/wiki/Hunter_Region))
- Then compare the LGA boundaries map (<https://www.olg.nsw.gov.au/sites/default/files/NSW%20LGA%20Boundaries%20-%20full.pdf>) with the Modified Monash region map (<https://www.health.gov.au/health-workforce/health-workforce-classifications/modified-monash-model>) – (MM1 regions affected by 10991 change in light green):



- The newly designated MM1 regions approximate the LGAs for Maitland, Newcastle, Lake Macquarie and Cessnock. There are some differences especially with Lake Macquarie and Cessnock, but expect population density and GP locations in those LGA regions to be concentrated in MM1 sectors, minimising errors.

#### Population by Local Government Area ([Wikipedia](#), sourced from ABS)

Hunter rank	Local Government Area	Population 30 June 2016 <sup>[37]</sup>	10 year growth rate	Population density (people/km <sup>2</sup> )
1	<a href="#">City of Lake Macquarie</a>	202,847	7.6	312.7
2	<a href="#">City of Newcastle</a>	160,919	9.8	861.7
3	<a href="#">City of Maitland</a>	79,340	24.9	202.7
4	<a href="#">Port Stephens Council</a>	71,118	14.5	82.8
5	<a href="#">City of Cessnock</a>	56,762	19.7	28.9

**Population by Local Government Area ([Wikipedia](#), sourced from ABS)**

Hunter rank	Local Government Area	Population 30 June 2016 <sup>[37]</sup>	10 year growth rate	Population density (people/km <sup>2</sup> )
6	<a href="#">Singleton Council</a>	23,595	4.7	4.8
7	<a href="#">Muswellbrook Shire</a>	16,468	5.3	4.8
8	<a href="#">Upper Hunter Shire</a>	14,409	8.1	1.8
9	<a href="#">Dungog Shire</a>	9,114	10.5	4.1
<b>Hunter</b>		<b>634,572</b>	<b>11.7</b>	<b>28.0</b>

- Then take Lake Macquarie, Newcastle and Maitland regions only (call these the Hunter Urban region, representing MM1 practices affected by losing access to MBS item 10991), with a combined population of 202847 + 160919 + 79340 + 56,762 = 499,868
- Proportion of Hunter Urban/MM1 region vs Hunter region = 499868 / 634572 = 0.787
- Take cost of losing 10991 access to the Hunter region if all areas affected, and multiply by above ratio to get actual impact on the Hunter (urban) region = \$8,995,639 x 0.787 = \$7,086,086
- Annual growth rate in this region = 1.1% (based on above 10 year growth rate data in Hunter Urban regions), so FY 20/21 impact can be expected to be \$7,086,086 x 1.011<sup>5</sup> = \$7,484,490

## Editorial: Morrison government's Medicare changes seem heartless



If Hunter GPs are forced to stop bulk billing vulnerable patients, don't be surprised if deaths occur.

This might sound like an exaggeration, but it will ring true at the coalface of medicine across the region.

The federal government has changed Medicare rebate incentives, meaning the Hunter will be on the same level as Sydney from January 1.

Bulk-billing incentives for GPs in the Hunter will fall from \$9.50 to \$6.30 per patient. If doctors feel they have no choice but to reduce bulk billing, some poor and disadvantaged people will be badly affected.

Some won't be able to afford to see a doctor when needed.

It might be a single mum with three children all sick. Or an older person who barely has enough money to pay for food and electricity.

Being unable to get medical attention in a timely fashion for certain illnesses can make symptoms a lot worse. This could be illnesses like influenza and pneumonia, a severe ear infection or meningococcal disease.

Sick people may choose not to return to their doctor for critical follow-up consultations. They may be referred to get an X-ray for pneumonia, but be unable to afford it.

These are simply a few examples of problems requiring urgent medical attention.

Concern about people dying because of reduced bulk billing is a worse-case scenario. But there will be other ramifications. More people will turn to emergency departments at hospitals.

This seems ridiculous given that free or affordable care at the GP and pharmacy stage of the health system reduces the chances of people ending up in hospital.

Another foreseeable scenario is that some disadvantaged patients may find the extra money needed to see their GP. But then they might not have enough money to pay for the medicine they need. Or they might be unable to afford the rent.

The Australian Medical Association says the changes were introduced to better target financial incentives to attract and retain medical staff in rural and remote areas.

But Hunter doctors say they will be faced with having to charge those they were bulk billing, or find savings in other ways.

They may have to charge other people more or push more people through their surgeries faster.

Anyone who has seen a doctor recently knows that quick consultation times are already a problem. Many doctors are having to see too many patients. Some can't find the time to talk through people's problems.

There can be a tendency to prescribe patients a pharmaceutical and send them on their way, which can lead to misdiagnosis, medical errors and oversubscribing.

All governments have to juggle spending priorities. And the medical system does have cost problems that need attention.

But this change to Medicare seems particularly heartless.

**ISSUE: 39,475.**



## NEWS

BAIL OVER  
MATE DEATH

P3

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SPARKING  
INTEREST

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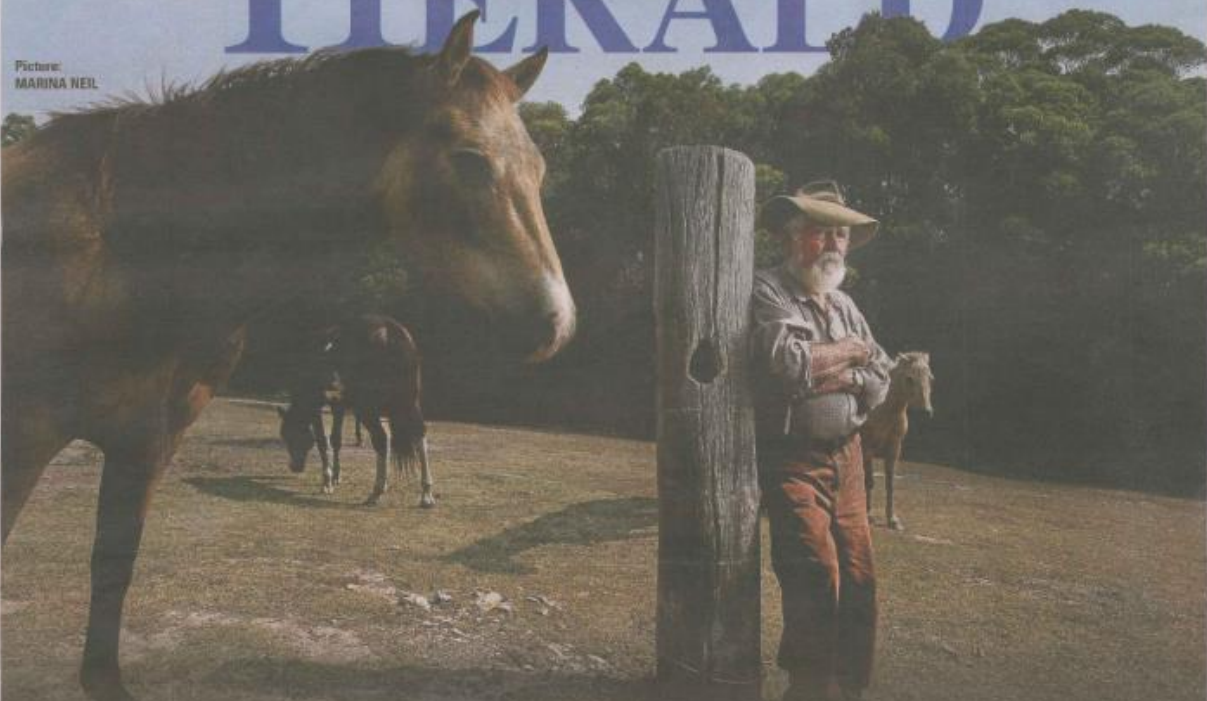
## THE LOWEDOWN

JETS STILL  
OFF TARGET

P39

\$1.80  
INC GST

# NEWCASTLE HERALD

Picture:  
MARINA NEIL

## DAM DRY

The Lower Hunter is facing its tightest water restrictions in decades, with the region's dam levels dropping to their lowest point in nearly 40 years, and no reprieve in sight. Level 2 restrictions will be introduced across the region next month in a bid to conserve dam levels during a predicted hot and dry summer. Bob Skelton, a Hunter resident for 50 years, recalls the drought of the 1980s and is concerned conditions have now gotten "out of hand". "It's a bit of a worry," he said. "What we need is rain." **Reports, P6-7**

## Bulk billed general practice facing 'extinction' in the Hunter

BY ANITA BEAUMONT

HUNTER GPs say they may be forced to stop bulk billing vulnerable patients, pensioners, and children if 'significant' changes to the Medicare rebate come into effect in 2020.

The Hunter General Practice Association has warned about \$7.5 million used to

bulk bill patients in the region each year will be denied to the community's most vulnerable when policy changes to the Medicare rebate take effect in January.

Dr Lee Fong, the association secretary, said under a new government policy, Newcastle, Maitland, Kurri Kurri and Raymond Terrace would be reclassified as "MM

1" - the same as the centre of Sydney - despite the region having higher unemployment rates and higher levels of disadvantage.

The reclassification would see bulk billing incentives for GPs decrease from \$9.50 to \$6.30 per patient - an estimated loss of \$7.5 million.

"By and large, what GPs in the Hunter have been do-

ing is using that additional incentive payment to bulk bill vulnerable people - the pensioners, the health care card holders and children, in particular," Dr Fong said.

"By having this taken away, it makes practices that have already become really vulnerable to a whole bunch of other funding cuts over a couple of years, including -

for example - the Medicare funding freeze, and it just takes them that much closer to the edge. At the end of the day, practices will need to react to this change in order to maintain viability - either by charging the people they were bulk billing, increasing the charges for those they weren't bulk billing, or decreasing the quality of the

medicine in order to push more people through faster. And none of those things sound like good options."

Dr Fong said the policy changes had happened so quietly they had "slipped under the radar".

"But among GPs, there has been an awakening to what is about to hit the region."

■ CONTINUED P4

**NEWS: WOMAN 'KIDNAPPED, CHOKED AND THREATENED' P10**



## NEWS

# Bulk billing changes set to be 'significant'

BY ANITA BEAUMONT

## FROM P1

Dr Fong said in the past, the government had wanted to increase bulk billing rates, particularly in regional areas where the practice was more "scarce".

But to address the medical workforce problems in rural and regional communities, the government had since decided to "re-organise the whole system" of encouraging doctors to bulk bill.

Using the "Modified Monash Model" for classification, only doctors in areas classified as "very remote and rural" would be able to access the higher bulk billing incentive payment.

"It means that for GPs in the Hunter, for every patient that they bulk bill, they are going to be getting \$3.30 less per patient - which may not sound like a lot, but by the time you add it up - say for the practice I work at, it means a reduction in the practice income of about \$85,000 per year."

"If you also look at collaborative practice like GP Access After Hours, which sees about 50,000 patients a year, that's more than \$150,000 a year. When you look at the



**CONCERNS:** Secretary of Hunter GP Association, Dr Lee Fong, says GPs are launching an awareness campaign to try to stop policy changes that will reduce the number of patients they will be able to bulk bill.

bigger picture - that is happening all across the region."

Dr Fong said the principle of taking money and putting it into the rural workforce was "a good thing".

"The problem is how the government is going about it," he said. "They are robbing Peter to pay Paul, and in particular, they are taking money away from regional areas like us."

"I wouldn't have as much of a problem if they took

money away in the metropolitan areas like Mosman - where the Medicare spend per head is already twice that of the Hunter region."

"But they lump us into the same classification as the centre of Sydney, or the centre of Melbourne - which isn't appropriate."

"Because in the Hunter, we do have greater levels of disadvantage, we have a higher proportion of vulnerable people. We should be

exempt from this change."

The association has begun a campaign and created a petition to try to stop the changes.

A spokesperson for the Minister for Health, Greg Hunt, said the changes were necessary so that geographical eligibility was updated from 1991 population statistics to contemporary data to ensure incentives were correctly targeted to rural and remote areas, and not to

metropolitan areas.

"The vast majority of the Hunter Region is classified as MM 2-5 and is still eligible for rural bulk billing incentives, as well as other incentives as part of the government's Stronger Rural Health Strategy," he said.

"Doctors in areas, including Gosford/Wyong and Newcastle (which are classified as MM 1) can still access bulk billing incentives at a lower fee."

## Teenager charged after mall death

POLICE have charged a 13-year-old boy with manslaughter after a man died in a fire at a shopping centre on the Central Coast earlier in the year.

Financial Crimes Squad Arson Unit coordinator Detective Chief Inspector Richard Puffett told reporters on Monday that police would be alleging the boy deliberately lit the fire, saying a piece of furniture was a source of the blaze.

Emergency services responded to a fire at Ebbtide Mall shopping centre at The Entrance during the afternoon of Sunday, October 20.

Firefighters found a 69-year-old man inside a shop in the building. They dragged him out, however, first responders were unable to revive him.

Detectives from the Financial Crimes Squad's Arson Unit and Tuggerah Lakes Police District established Strike Force Zorianna to investigate the blaze.

The strike force detectives arrested a 13-year-old boy at Wyong Police Station on Monday morning. Police charged the teenager with manslaughter and he was refused bail to appear at the children's court.

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### WEATHER

TODAY	TOMORROW
Hot, smoke haze	Smoke haze
Min: 18°C Max: 30°C	Min: 18°C Max: 25°C

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### LOTTO

Monday TattsLotto:  
 Draw 3928  
 Winning numbers: 13, 23, 10, 11, 8, 20.  
 Supplementaries: 21 and 40.  
 Dividends: Unavailable.

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# Cutting bulk billing incentive will cause pain to Hunter patients

Helen Gregory, The Newcastle Herald, Monday 7<sup>th</sup> January 2020

Editors Pick - List



Concern: Ellen Clayden, with Kath Teagle and Georgina Poon, said she'd pay to see her doctors but wouldn't be able to go as often as needed. Ms Teagle said the changes "undermined the health of the nation". Picture: Simone De Peak

ELLEN Clayden describes bulk billing as a "God send".

She and her husband Rob have been travelling from Fern Bay to Mayfield Medical Connection (MMC) for eight years.

She visits roughly once a fortnight for epilepsy, aphasia, asthma, reflux and anxiety. Mr Clayden visits about once a month for diabetes and asbestos related disease, pleural fibrosis.



"We are so grateful to have bulk billing doctors," she said.

"We live fortnight to fortnight. By the time we pay bills, put petrol in the car, buy food, there's not much left.

"Without the bulk billing I don't know where we would be."

**Related: Hunter GPs warns changes to bulk billing incentives in January 2020 will mean vulnerable people, pensioners and children may need to be charged for services**

The federal government updated the classification system used to determine doctors' eligibility for rural Bulk Billing Incentives on January 1.

Newcastle, Maitland, Kurri Kurri and Raymond Terrace are classified as metropolitan areas, but up until this year had an exemption to access the rural incentive.

Doctors in these areas now receive \$6.40 instead of \$9.65 to bulk bill patients on a Commonwealth health care card.

MMC co-owner Kath Teagle said Newcastle's population was different to Sydney's.

She said even with the higher incentive, bulk billing doesn't cover the cost of providing care because Medicare rebates have not kept up with CPI, but doctors and practices have been absorbing losses to help those who can't afford to pay.

She said under the lower incentive her practice will be about \$38,000 worse off each year.

Ms Teagle said many practices have been forced to start charging patients who were bulk billed, or increase charges for those who aren't.

At MMC, private patients pay \$40 for a standard appointment and some pensioners pay \$20, but she is considering introducing a new fee level as a stepping stone.

She said doctors, who are employed as independent contractors, will use their discretion to determine who to continue to bulk bill.

"But that's not what the GP is in the room for... to judge their financial capacity to pay."

She said some patients will turn to GP Access, hospitals, or not seek help until their health worsens.

"This is the cheapest level of healthcare available, but the government keeps picking away at it," she said.

"Unless they're going to look at the actual ability of the population to pay, they're going to cause suffering and cost the public more money through hospital funding and chronic disease."

Dr Bo Wong used to bulk bill about 95 per cent of patients and said he wants to continue for as many of his elderly and mentally ill patients for as long as possible.

"I don't want money to be a barrier for how I treat a person," he said.

Pensioner Georgina Poon, 83, visits once every four weeks for her osteoporosis, diabetes and macular degeneration.

She uses taxis for transport due to her eyesight.

"Bulk billing makes a lot of difference," she said.

"If I have to [pay to] see a doctor it will cost me a small fortune."

She said paying would mean going without some groceries.

"Old people won't bother going to a doctor, they'll stay home and die. If not, the outpatients of hospitals will be full up."

A Department of Health spokesperson said "all doctors who bulk bill will continue to be eligible for standard bulk billing incentives".

"This change is about ensuring incentives are correctly targeted... [and] ensuring the latest data is used in our programs."