

2017–18 pre-budget submission

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The Royal Australian College of General Practitioners
100 Wellington Parade
East Melbourne, Victoria 3002 Australia

Tel 03 8699 0510
Fax 03 9696 7511
www.racgp.org.au

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We recognise the traditional custodians of the land and sea on which we work and live.

Introduction

The Royal Australian College of General Practitioners (RACGP) thanks the federal government for the opportunity to contribute to discussions regarding the 2017–18 federal Budget.

About the RACGP

The RACGP is Australia's largest professional general practice organisation, representing more than 33,000 members working in or towards a career in general practice in urban and rural areas.

The RACGP is responsible for:

- defining the nature and scope of the discipline
- setting the standards, curriculum and training
- maintaining the standards for high-quality clinical practice
- supporting general practitioners (GPs) in their pursuit of excellence in patient care and community service.

Background

General practice is the foundation of Australia's healthcare system. GPs and their teams represent Australia's most accessed healthcare service, providing more than 146 million Medicare Benefits Schedule (MBS)-subsidised services to 21 million patients (nearly 86% of the Australian population) in the last year.¹

GPs can identify risks and health issues early and intervene at the right time in order to prevent the need for costlier and riskier interventions. The failure to adequately invest in general practice patient services will increase the overall cost of healthcare delivery, as more patients present to emergency departments and hospitals for care that could have been provided in general practice for a fraction of the cost.

Given the clear need for the high-quality health services provided by GPs and their teams, it is essential that this sector is funded appropriately.

This submission

This submission presents three strategies for investing in patient healthcare through better supporting general practice:

1. Reverse the indexation freeze for general practice services
2. Provide adequate funding for the Health Care Homes trials
3. Prioritise general practice research

Summary of recommendations

1. Reverse the indexation freeze for general practice services

The RACGP recommends that the federal government:

- reverses the indexation freeze on MBS patient rebates for general practice services and commits to ensuring indexation keeps pace with the costs of providing high-quality general practice services
- revisits the Relative Value Study and commits to ensuring funds allocated to MBS item numbers are applied equitably to accurately represent the value of the services provided.

2. Provide adequate funding for the Health Care Homes trials

- The RACGP recommends that the federal government commits an additional \$117.3 million over five years to fund the Health Care Homes trial.

3. Prioritise general practice research

The RACGP recommends that the federal government prioritises primary healthcare research and:

- commits \$28 million over nine years to establish a general practice research Fellowship program, offering eight 4–5-year Fellowships to develop general practice research leaders
- allocates 10% of the National Health and Medical Research Council's (NHMRC's) project grants budget to general practice-specific research projects (ie projects with direct relevance to general practice and that involve one or more GPs as chief investigators)
- invests \$5 million to establish two centres for research excellence in general practice/primary care
- invests \$200,000 per annum to support the maintenance of practice-based research networks, specifically the Australian Primary Care Research Network (APCReN)
- provides \$5 million per annum across university departments of general practice and rural health to facilitate practice-based research networks
- implements a practice incentive payment to enable practices to facilitate and implement research
- invests an initial \$5 million to scope existing general practice databases and develop and/or adapt from existing infrastructure a comprehensive general practice data registry tailored to the Australian context
- uses the Medical Research Future Fund to prioritise research that will have a direct impact on delivery of patient care in the primary care system.

1. Reverse the indexation freeze for general practice services

Issue

Indexation of MBS patient rebates for general practice services must be reinstated to ensure access to care for vulnerable and complex patient groups, including:

- Aboriginal and Torres Strait Islander peoples
- people in lower socioeconomic areas
- patients in rural areas
- older patients.

The most recent statistics on Medicare usage show that the proportion of the population accessing general practice services has fallen for the first time since 2010.¹ Out-of-pocket costs for patients visiting a GP have increased by 6% in the last year and by 89% over the last 10 years. Many vulnerable patients are unable to contribute to the cost of healthcare and the indexation freeze on MBS patient rebates for general practice services is placing even further pressure on access for these patients.

Action required

MBS patient rebates must reflect to the cost of providing high-quality general practice services to protect access for vulnerable patient groups.

The RACGP estimates that lifting the rebate freeze for MBS rebates for general practice services would require around \$150 million per year in 2016–17 figures (at 2% inflation).

Table 1. Indexation of general practice MBS patient rebates only

Cost of indexation (\$ millions)	2017–18	2018–19	2019–20
	147.7	153.9	162.9

However, appropriate alignment of MBS patient rebates to the cost of providing high-quality healthcare services spans beyond indexation. It includes ensuring that patient rebates are applied equitably across the various MBS item numbers and accurately represent the value of the service provided.

The Relative Value Study conducted by the Commonwealth Department of Health and Ageing between 1997 and 2000 identified a number of issues in relation to Medicare patient rebates. The study found that consultation medicine is significantly undervalued when compared to procedural medicine.

The issues and findings identified in the Relative Value Study remain relevant today, and should be revisited as part of the current MBS review process. Healthcare services must be funded equitably to ensure the sustainability and efficiency of the health system.

Recommendations

The RACGP recommends that the federal government:

- reverses the indexation freeze on MBS patient rebates for general practice services and commits to ensuring indexation keeps pace with the costs of providing high-quality general practice services
- revisits the Relative Value Study and commits to ensuring funds allocated to MBS item numbers are applied equitably to accurately represent the value of the services provided.

2. Adequate investment into the Health Care Homes trials

Issue

All patients should have access to high-quality primary healthcare services provided by a multidisciplinary GP-led team. The federal government's 2016–17 Budget announcement to trial Health Care Homes is a step forward; however, the RACGP continues to be concerned regarding the funding allocated to the trials.

While the 2016–17 federal Budget set out the allocation of just under \$120 million to fund the Health Care Homes trials, this is funding redirected from existing general practice payments:

- \$21.3 million from the Practice Incentives Program redirected to infrastructure, training and evaluation
- \$93.3 million from MBS chronic disease management item expenditure.

This reallocation of funds does not represent genuine investment in the Health Care Homes trials and will require practices involved in the trials to provide more services with the same level of funding. Practices cannot be expected to undergo significant change in health service delivery and deliver services without a commensurate increase in funding.

In order to succeed, the trials must be properly resourced to support general practices and Aboriginal Health Services to take on more responsibility and deliver more services, keeping people out of hospital and in the community for longer.

Actions required

The RACGP has calculated that appropriately funded trials will require an average of \$100,000 per practice per annum. This figure is in addition to the administrative funding and repackaged chronic disease management funding announced in the 2016–17 federal Budget.

As well as having increased funding, the trials should also be extended. Two-year trials are not adequate to allow sufficient implementation and evaluation of the Health Care Homes model. Overseas experience shows that outcomes from the medical home model improve over time.² Extending the trials to five years is crucial to understanding what will and will not work for patients and the Australian health system.

Recommendation

The RACGP recommends that the federal government commits an additional \$117.3 million over five years to fund the Health Care Homes trials.

Table 2. Trial funding over five years

Trial funding (\$ millions)	2017–18	2018–19	2019–20	2020–21	2021–22
	22.4	23.2	23.5	23.9	24.3

3. *Prioritising general practice research*

Issue

An effective and evidence-based primary healthcare system must be underpinned by rigorous evidence, for which primary care research is essential. Traditionally, medical research has been conducted in the hospital sector. However, as the vast majority of illnesses are managed in primary healthcare settings, government investment in research needs diversification to include greater support for primary healthcare research.^{3–6}

Inadequate evidence relevant to primary healthcare hinders GPs' efforts to provide evidence-based care, as guidelines developed from research in other settings may not be appropriate for general practice patients.^{7,8} There are significant barriers to GPs participating in research, such as:^{9,10}

- GPs generally receive minimal research method training
- there are no clearly defined clinical research career pathways
- general practice research infrastructure is underdeveloped
- there is a lack of support for practice-based research networks.

Moreover, research funding distribution is disproportionate to the clinical importance of primary care research. Between 2000 and 2008, fewer than 2% of NHMRC grants awarded were for primary care research.¹¹

A strong primary healthcare research sector linked to practice-based research networks increases opportunities for research findings to be translated into practice.¹² Many important research questions are unique to the general practice environment, where patients present with early and/or undifferentiated disease and multiple comorbidities. These patients tend to be excluded from other research. Primary healthcare research also provides opportunities to engage high-priority populations who need special recruitment strategies, such as Aboriginal and Torres Strait Islander patients, and low socioeconomic and other 'hard-to-reach' populations.¹³

Experience in the UK, Canada and the Netherlands shows that government policy can strategically strengthen primary healthcare research and researchers, leading to improved healthcare delivery and better patient outcomes.

Given nearly 86% of Australians visit a GP and their team each year, funding for primary healthcare research is vital and will have the greatest potential reach and population impact.¹

Actions required

Career support for the general practice research workforce

Facilitating the growth of a strong general practice research workforce is paramount. Developing and investing in a career structure for academic GPs will build Australia's capacity to conduct general practice research and provide support for academic GPs to become research leaders.

A program offering Fellowships specifically for GPs across the full range of current NHMRC Fellowship types will support development of the general practice research workforce. This requires flexible funding conditions to attract a range of general practice researchers, including allowing full-time and part-time research work.

Dedicated funding for general practice research

The level of funding provided for general practice research projects should correlate with the pivotal role of general practice in the Australian healthcare system. It must accommodate researchers from a broad range of disciplines, taking into account the differences in research output for primary care research compared to basic sciences. Funding should cover both clinical and health services research that is relevant to general practice.

Support for general practice research infrastructure

General practice research infrastructure requires support to develop through:

- ongoing infrastructure support for general practice-based research networks to function as ‘laboratories’ for rigorous, high-quality general practice research.¹⁴ These collaborative research networks work to discuss problem cases, formulate research questions, develop experimental designs, and facilitate the dissemination and uptake of research findings. The UK has successfully supplied infrastructure support to such networks by providing coordination staff and services, such as biostatisticians to support primary care research, undertake randomised controlled trials on research questions of clinical relevance to provision of evidence-based primary healthcare, and coordinate national research activity in primary care^{15–17}
- investment in data infrastructure to leverage and optimise the use of routinely collected data in general practice health information systems to allow large-scale research around practice to be undertaken. This support should be adequate so that this work can be undertaken without having to accept potentially compromising external sources of funding. There are similar registers in other countries (eg the UK Clinical Practice Research Datalink¹⁷), and this data can also be used to gain an understanding of primary care performance
- funding general practices to facilitate and implement research initiatives.

Recommendations

The RACGP recommends that the federal government prioritises primary healthcare research, and:

- commits \$28 million over nine years to establish a general practice research Fellowship program, offering eight 4–5-year Fellowships to develop general practice research leaders
- allocates 10% of the NHMRC’s project grants budget to general practice-specific research projects (ie projects with direct relevance to general practice and that involve one or more GPs as chief investigators)
- invests \$5 million to establish two centres for research excellence in general practice/primary care
- invests \$200,000 per annum to support the maintenance of practice-based research networks, specifically APCReN
- provides \$5 million per annum across university departments of general practice and rural health to facilitate practice-based research networks
- implements a practice incentive payment to enable practices to facilitate and implement research
- invests an initial \$5 million to scope existing general practice databases and develop and/or adapt from existing infrastructure a comprehensive general practice data registry tailored to the Australian context
- uses the Medical Research Future Fund to prioritise research that will have a direct impact on delivery of patient care in the primary care system.

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