

Overview of the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO)

Background

The Royal Australian College of General Practitioners (RACGP) has developed a summary of the key expense measures included in the Government's 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO). This summary provides an overview of the new initiatives and changes to existing programs, including increases and reductions in health expenditure.

Further details regarding some of the measures contained in this paper will be communicated to members via *In Practice* as more information becomes available.

Summary of expense measures

Fighting Cancer – National Bowel Cancer Screening Program – continuation of the participant follow-up function

The Federal Government will provide \$35.1 million over four years from 2018-19 (including \$9 million in 2021-22) to the States and Territories to continue the Participant Follow-up Function (PFUF) of the National Bowel Cancer Screening Program.

The RACGP welcomes the continuation of this program. The aim of the PFUF is to encourage National Bowel Cancer Screening Program participants to progress through the screening pathway when they are recorded having not seen their GP after receiving a faecal occult blood testing (FOBT) result. 70% of participants who returned a positive result (warranting further assessment) between 1 January 2015 and 31 December 2015 had follow-up diagnostic assessment within that period or by 31 December 2016.¹

The RACGP supports the continuation of PFUF, which will provide GPs more opportunities to follow up participants; minimising undue delays in bowel cancer diagnoses, minimising participant uncertainty and ultimately contributing to better cancer outcomes.

Guaranteeing Medicare — Health and Aged Care Payment Systems — maintenance

The Federal Government will provide \$16.6 million in 2017-18 for maintenance of the health and aged care payment systems. Existing Department of Health resources will fund this measure.

The RACGP welcomes additional support for ICT systems delivering Medicare, PBS and Aged Care services, which have proved challenging for GPs to use. The RACGP supports changes that implement streamlined and more modern systems for processing Medicare claims, as these will reduce administrative burden on practices.

Guaranteeing Medicare — Medicare Benefits Schedule — new and amended listings

The Federal Government will provide \$10.6 million over four years from 2017-18 for new and amended Medicare Benefits Schedule (MBS) and Veterans' Benefits items. Item amendments, based on recommendations from the independent Medical Services Advisory Committee (MSAC) and the MBS Review Taskforce, include new services for:

- magnetic resonance imaging of the heart for patients with suspected arrhythmogenic right ventricular cardiomyopathy
- ophthalmology – the treatment of progressive corneal ectatic disease
- insertion of implantable loop recorders for the diagnosis of atrial fibrillation in patients with cryptogenic stroke or embolic stroke
- treatment of varicose veins caused by chronic venous insufficiency.

The RACGP supports the MBS Review Taskforce and welcomes the opportunity to respond to all further proposed recommendations for new and amended listings affecting general practice as the Review continues.

Guaranteeing Medicare — Medicare Benefits Schedule Review — response to Taskforce recommendations

Implementation of recommendations from the MBS Review will result in net savings of \$409.0 million over five years from 2016-17, which the Federal Government reports has been already been reinvested in Medicare. The MYEFO papers do not specify how or where this reinvestment has occurred. The RACGP supports reinvestment of MBS Review savings into Medicare, however has previously called transparency of any reinvestment. The RACGP calls on the Federal Government to provide information detailing how and where the savings have been reinvested into Medicare.

The savings have arisen from the Federal Government acting on recommendations from the MBS Review Taskforce regarding:

- variations in billing of medical consultations
- standardising rebates for selected procedural services (regardless of the practitioner providing the service)
- bone densitometry testing
- billing for tonsillectomy and adenoidectomy
- gastroenterology services
- spinal x-rays
- obstetric services
- aftercare arrangements
- urgent after-hours MBS services.

Improving Access to Medicines — Life Saving Drugs Program — new listing

The Federal Government will provide \$44.2 million over five years from 2017-18 (including \$11.4 million in 2021-22) to list elosulfase alfa (Vimizim®) for the treatment of Morquio syndrome on the Life Saving Drugs Program from 1 August 2017.

Improving Access to Medicines — National Immunisation Program — new and amended listings

The Federal Government will list Gardasil®9 for the treatment of Human Papillomavirus (HPV) on the National Immunisation Program from 1 January 2018. The RACGP welcomes the listing of Gardasil®9 to improve access to medication for the treatment of HPV.

The Federal Government expects the listing of Gardasil®9 to generate savings of \$36.9 million over four years from 2017-18. The Federal Government has stated that it will redirect these savings into healthcare; however, has not provided any details of such reinvestment. The RACGP supports reinvestment of savings generated by the listing of Gardasil into healthcare, however calls on the Federal Government to be transparent about the reinvestment.

Improving Access to Medicines — Pharmaceutical Benefits Scheme — new and amended listings

The Federal Government will provide \$2.1 billion over four years from 2017-18 for new and amended listings on the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS).

New and amended listings since the 2017-18 Budget include:

- Adalimumab (Humira®) from 1 July 2017 for the treatment of the chronic skin condition hidradenitis suppurativa
- Nivolumab (Opdivo®) from 1 August 2017 for the treatment of Stage IV clear cell variant renal cell carcinoma, and non-small cell lung cancer
- Ustekinumab (Stelara®) from 1 September 2017 for the treatment of chronic inflammatory bowel disease
- Alprazolam from 1 October 2017 for the treatment of panic disorders
- Cefuroxime from 1 November 2017 for the treatment of pharyngitis and tonsillitis
- Ibrutinib (Imbruvica®) from 1 December 2017 for the treatment of chronic lymphocytic leukemia and small lymphocytic lymphoma.

Investing in Health and Medical Research — Medical Research Future Fund — continued support

The Federal Government will provide \$23.0 million over four years from 2017-18 to fund administrative costs associated with investments in health and medical research, using proceeds from the Medical Research Future Fund (MRFF).

As part of total Federal Government investments in Australian medical research over four years, the Federal Government will provide:

- \$50 million (including \$30 million from 2021-22 to 2026-27) to support the Australian Brain Cancer Mission to improve the survival rates of people living with brain cancer
- \$70 million (including \$10 million in 2021-22) to support Australia's next generation of medical research fellowships
- \$30 million over four years to support Australia's biomedical technology sector.

Existing Department of Health resources will partially fund this measure.

The RACGP supports investment in health and medical research. However, greater investment in primary healthcare research is needed for more efficient and effective patient treatment and better health outcomes.

Making Private Health Insurance Simpler and More Affordable

The Federal Government's reform of private health insurance includes:

- lowering the price of implanted medical devices
- allowing insurers to discount hospital insurance premiums for 18 to 29 year olds by up to 10 per cent
- removing waiting periods for mental health services and benefit limitations for existing policy-holders on a once-off basis
- including benefits for travel and accommodation within hospital cover to support Australians in regional and rural areas
- introducing Gold, Silver, Bronze and Basic product categories and standard definitions for clinical conditions and procedures to make policies easier to understand and compare
- strengthening the powers of the Private Health Insurance Ombudsman and improving information provision
- limiting the Government rebate for natural therapies to exclude therapies such as Rolfing and Bowen therapy
- implementing administrative reforms to second tier default benefit arrangements.

The RACGP supports the reforms, which are consumer focused and promote transparency and easier access to private health insurance.

National Approach to Prescription Drug Misuse

The Federal Government will provide \$16.4 million over five years from 2016-17 to support national rollout of real-time prescription monitoring for controlled medicines. Controlled medicines include morphine, oxycodone, dexamphetamine and alprazolam.

The RACGP has previously called for the immediate rollout of a real-time prescription drug database to reduce the alarming number of people dying from prescription drug related overdoses and supports the move towards real-time monitoring of controlled drugs, including prescription opioids.

Strengthening Aged Care — improvements to quality, services and access

Responding to recommendations of the *Legislated Review of Aged Care 2017* and the *Review of National Aged Care Quality Regulatory Processes*, the Federal Government will implement the following changes to aged care services:

- rebalance the mix of home care packages in 2017-18 and 2018-19 to reduce waiting times for older Australians with higher care needs and who wish to remain at home
- provide \$2.8 million in 2017-18 to develop a detailed business case to improve the aged care gateway, My Aged Care
- replace accreditation visits with unannounced audits for Australia's residential aged care facilities, to help

ensure that safety and quality care standards are maintained at all aged care homes.

Existing Department of Health resources will fund this measure. The Federal Government will respond to other recommendations of these reviews in the 2018-19 Budget.

These measures are in addition to the \$3.1 million the Federal Government will provide in 2017-18 to support the operations of the My Aged Care platform that provides advice and assistance to aged care consumers and providers, announced in the 2017-18 Federal Budget.

The RACGP supports improvements to the quality, services and access to Aged Care, however notes the Government has not offered an alternative to replace the removal of the General Practitioner Aged Care Access Incentive. The removal of this incentive from May 2018 will result in a \$3000 - \$5000 loss for GPs providing care to patients in residential aged care facilities.

Support for Veterans' Mental Health — additional funding

The Federal Government will provide \$31 million over four years from 2017-18 to support veterans' mental health, including:

- \$16.1 million for a new payment for vulnerable veterans while their claims for assistance are being assessed
- \$7.1 million to expand support provided to the families of veterans
- \$2.1 million for an annual comprehensive health assessment (annual GP health assessment) for veterans for the first five years after they have been discharged
- \$4.0 million over two years from 2018-19 to pilot two new models of case management services
- \$1.7 million over two years from 2017-18 to undertake a scoping study to identify options to improve veterans' advocacy services.

The RACGP welcomes funding to support veteran's mental health. All members of the Australian Defense Force (ADF) can access an annual GP health assessment, which will provide GPs with the opportunity to identify and treat mental and physical health concerns in veterans early.

References

1. Australian Institute of Health and Welfare. National Bowel Cancer Screening Program: Monitoring Report 2017. Cancer series no.104. Canberra: AIHW, 2017.