

Overview of the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

Background

The Royal Australian College of General Practitioners (RACGP) has developed a summary of the key measures included in the Government's 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO). This summary provides an overview of the new initiatives and updates to existing programs, including revised timelines and increases and reductions in health expenditure.

Further details regarding some of the measures contained in this paper will be communicated to members via [NewsGP](#) and [In Practice](#) as more information becomes available.

Summary of expense measures

Guaranteeing Medicare – 'strengthening primary care'

The Federal Government announced a \$512 million 'strengthening primary care' package. The package supports a range of new and amended measures through additional funding, of which \$318 million is specifically directed towards general practice.

Residential aged care

The Federal Government will provide \$98 million over four years from 2018-19 towards Medicare Benefits Schedule (MBS) rebates for services (MBS items 20, 35, 43, 51) provided by GPs attending a residential aged care facility (RACF)

As part of this package, a \$55 Medicare payment will be introduced to cover travel time and costs for GPs attending RACFs. Currently, GPs receive \$47.40 per visit to cover these costs. This payment represents an additional \$7.60 per RACF visit.

While the RACGP is supportive of the additional funding, which goes some way to recognise the costs of attending an RACF, we note that the Federal Government is yet to offer an alternative solution to replace the removal of the General Practitioner Aged Care Access Incentive. The removal of this incentive from May 2019 will result in a \$3000 to \$5000 loss for GPs providing care to patients in RACFs.

The new payment also represents a change in the structure of these MBS items by separating out the consultation fee from the patient rebate. The RACGP has been advocating for this change, identifying this as a barrier for GPs supporting their patients in RACFs. The current rebate structure, calculated by dividing an integrated call out fee by the number of patients seen, results in patients receiving differing rebates depending on the order the GP sees them.

The RACGP will be advocating for a similar rebate structure to be applied to other professional attendances provided outside of the consulting room, such as hospital, institution or home visits (MBS items 4, 24, 37, 47).

Primary Health Networks and after-hours services

The Federal Government will allocate \$146.5 million over two years from 2019-20 to facilitate Primary Health Networks to provide locally tailored after-hours health services based on community need.

The Mid-Year Economic and Fiscal Outlook does not provide further detail regarding this measure. The RACGP will seek further information from the government on the details of this item.

Telehealth in general practice

The Federal Government will provide \$33.5 million over three years from 2019-20 for the provision of telehealth for general consultations in remote areas. From 1 November 2019, these services will be available for people living in rural and remote areas (Modified Monash Model area 6-7).

The RACGP supports the modernisation of consultative medicine via greater access to telehealth services. While this measure represents a step in the right direction, the RACGP will continue to advocate for the provision of non face to face care more broadly, supported through the MBS, so that patients can access care from their usual GP via telehealth services where appropriate, regardless of geographical location.

Health Care Homes

The Federal Government will extend its trial of Health Care Homes for a further two years until 30 June 2021.

The period allowed for patient enrolment has also been extended to 30 June 2019, or until enrolment reaches the program's new patient cap of 12,000. The RACGP has also been advised that payments to practices participating in the trial will be indexed.

Wound Management Trial

From 1 December 2019 to 20 June 2022, a new wound management trial will be implemented to test models of care for chronic wound management.

The RACGP has previously raised the inability to charge for consumables (such as bandages) when bulk-billing as a barrier for general practices wishing to offer chronic wound management services for their patients. The Mid-Year Economic and Fiscal Outlook does not provide detail regarding whether the trial will address this issue. The RACGP is seeking further information from the government on what the trial will entail.

Urgent after-hours services

In December 2017, the [Federal Government announced](#) changes to MBS items for urgent after-hours services for non-vocationally registered medical practitioners. It was stated that rebates for these MBS items would be adjusted in stages over the coming years.

In the Mid Year Economic and Fiscal Outlook, the Federal Government noted that they will provide \$13.4 million over four years from 2018-19 to maintain, for another year, the current MBS rebate for urgent after-hours services paid to non-vocationally registered medical practitioners working in metropolitan settings until 1 January 2020.

The current rebate will be retained in regional areas (classified in Modified Monash Model area 2). The RACGP will seek clarification in regards to the proposed timeframes for retaining the current rebate for regional areas.

Medical and professional indemnity arrangements

The Federal Government has committed to improving medical and professional indemnity arrangements, to simplify administration and streamline eligibility and claims requirements for the various indemnity schemes.

No additional funding was announced as part of this measure.

The RACGP has been working with the Department of Health regarding these changes and will advise members of key amendments as arrangements are finalised.

Support for farmers facing hardship

The Federal Government will provide \$26.9 million over four years from 2018-19 for mental health and wellbeing support for farmers in hardship, including by telehealth in drought-affected communities.

Support for patients with severe eating disorders

The Federal Government will provide \$110.7 million over four years from 2018-19 for new MBS items for the treatment and management of patients with severe eating disorders. New MBS items will be available from 1 November 2019.

The RACGP [responded](#) to the MBS Review Taskforce Clinical Committee report that recommended these changes, acknowledging that the major focus of the new MBS items is on the extreme health and mortality risks for patients with severe anorexia nervosa. The RACGP also highlighted that many patients with severe ongoing and life threatening mental disorders (in particular patients who may not be able to access high intensity mental healthcare) would also benefit from similar intensive interventions.

The RACGP will continue to advocate for evidence based interventions for patients with severe ongoing and life threatening mental disorders.

New and amended MBS and Veterans' Benefits

The Federal Government will provide \$58.9 million over four years from 2018-19 for new and amended MBS and Veterans' Benefits items based on recommendations from the independent Medical Services Advisory Committee.

From 1 May 2019, new items will include:

- new items for imaging of the liver for patients with known colorectal carcinoma or known or suspected hepatocellular carcinoma
- a new diagnostic item for the mobile provision of limited skeletal, chest and skeletal x-rays to patients within residential aged care facilities
- new items for genetic testing for the diagnosis of Alport syndrome
- a new item for obstetric magnetic resonance imaging for pregnant women to allow investigation and diagnosis when fetal central nervous system abnormality is suspected
- new items for the diagnosis, treatment and management of non-muscle invasive bladder cancer
- a new item for the retrieval and review of archival tissue by pathologists.

Chronic disease management

The Federal Government will provide \$17.5 million over four years from 2018-19 for chronic disease management.

No further detail has been released regarding this funding. The RACGP will be seeking further information regarding this measure.

Neurological Nurse Specialist Pilot

The Federal Government will provide \$5.8 million over four years from 2018-19 for a Neurological Nurse Specialist Pilot. The pilot is intended to improve access to specialised nursing care in the community for people living with neurological conditions.

National Mental Health Workforce Strategy

The Federal Government will provide \$1 million over two years from 2018-19 to develop a National Mental Health Workforce Strategy. The strategy will aim to provide options to attract, train and retain mental health workers.

National Immunisation Program – new listings

The Federal Government will provide \$51.8 million over four years from 2018-19 (and \$10.7 million per year ongoing) to list the following vaccines through the *National Immunisation Program* from 1 April 2019:

- Nimenrix® protecting against meningococcal strains A, C, W and Y to be delivered as a school-based vaccination program for students in year 10 and as a community-based catch-up program for teenagers between 15 and 19 years of age
- Fluarix Tetra®, FluQuadri® and Afluria Quad® for Indigenous children and people aged between 3 and 14 years of age for seasonal influenza vaccines.

The RACGP welcomes announcements aimed at supporting Aboriginal and Torres Strait Islander people to help close the gap in health outcomes between Aboriginal and Torres Strait Islander people and non-Indigenous Australians.

Guaranteeing Medicare – Expansion of Medicare eligibility for magnetic resonance imaging

The Federal Government will provide \$176.4 million over four years from 2018-19 to provide licenses for an additional 30 magnetic resonance imaging machines, in 10 locations, that can provide scans subsidised under Medicare.

Funding for these services came into effect on 1 November 2018.

Community Health and Hospitals Program

The Federal Government will provide \$1.3 billion over four years from 2018-19 to establish the Community Health and Hospitals Program across all states and territories. The four key areas of the program that will receive additional funding are:

- specialist hospital services such as cancer treatment, rural health and hospital infrastructure

- drug and alcohol treatment
- preventive, primary and chronic disease management
- mental health.

Neither the Mid-Year Economic and Fiscal Outlook or [press release by the Minister for Health](#) referred to in the paper provide further detail on this program. It is unclear what proportion of the funding, if any, will be allocated to general practice services in the specified areas. The RACGP stresses that funding for preventive, primary and chronic disease management should be directed to general practice. Additional information will be sought from the government regarding this measure.

Medicinal Cannabis Scheme

The Federal Government will provide \$4.4 million over two years for license assessment and compliance activities to administer the Medicinal Cannabis Scheme, and amend cost recovery arrangements.

The RACGP's position statement on [the regulatory framework for medicinal use of cannabis products](#) calls for a consistent national regulatory framework for prescribing medicinal cannabis products, which facilitates access when clinically appropriate, and reduces the bureaucratic, time consuming and expensive process doctors and patients currently face when trying to access medicinal cannabis products.

Access to Medicines

Life Saving Drugs Program – new listing

The Federal Government has listed migalastat (Galafold®) on the *Life Saving Drugs Program* from 1 November 2018. This listing will provide treatment for Australian patients aged 16 years and over who have the genetic condition Fabry disease.

Funding for this measure has already been provided for by the Government with \$128 million allocated to the *Life Saving Drugs Program* in 2017-18.

Pharmaceutical Benefits Scheme – compensation cases

The Federal Government will continue to litigate in order to seek compensation for losses incurred by the government as a result of pharmaceutical companies taking action to delay the listings of generic forms of medicines on the Pharmaceutical Benefits Scheme.

Pharmaceutical Benefits Scheme – new and amended listings

The Federal Government will provide \$1.4 billion over four years from 2018-19 for a number of new and amended listings on the Pharmaceutical Benefits Scheme and the Repatriation Pharmaceutical Benefits Scheme. New and amended listings include:

- Nivolumab (Opdivo®) from 1 August 2018 for the treatment of recurrent or metastatic squamous cell carcinoma of the oral cavity, pharynx or larynx
- Lumacaftor with ivacaftor (Orkambi®) from 1 October 2018 for the treatment of cystic fibrosis
- Evolocumab (Repatha®) from 1 November 2018 for the treatment of familial hypercholesterolaemia
- Pembrolizumab (Keytruda®) from 1 November 2018 for the treatment of metastatic, previously untreated non-small cell lung cancer
- Golimumab (Simponi®) from 1 December 2018 for the treatment of active non-radiographic axial spondyloarthritis.

Funding for this measure has already been partially provided for by the Government.

Pharmaceutical Benefits Scheme Payment Arrangements – implementation funding

The Federal Government will provide \$61.7 million over four years from 2018-19 for the Pharmaceutical Benefits Scheme revised payment arrangements commencing on 1 July 2019. This funding consists of:

- \$27.1 million over four years from 2018-19 provided to the Department of Health to implement administrative

processes, and continue to work with industry on the detailed design of the new payment arrangements commencing on 1 July 2019

- \$34.6 million over four years from 2018-19 (with \$4.2 million per year ongoing) provided to the Department of Human Services to transition business processes to align with the new payment arrangements.

Funding for this measure has already been provided for by the Government.

Streamlined listings

The Federal Government will provide \$63.9 million over four years from 2018-19 to streamline the listing of Pharmaceutical Benefits Scheme and *National Immunisation Program* and amend cost recovery arrangements. The costs for this measure will be partially met from within the existing resources of the Department of Health.

Fetal Alcohol Spectrum Disorder – strategic action plan

The Federal Government will provide \$8 million over five years from 2018-19 to support the implementation of activities within the *National Fetal Alcohol Spectrum Disorder Strategic Action Plan 2018-2028*. This funding comprises:

- \$1.47 million for prevention
- \$1.2 million for screening and diagnosis
- \$1.2 million to inform schools and workplaces and support the justice and policing sectors
- \$1.27 million to tailor solutions to local communities
- \$1.55 million to continue existing activities including continued development of a 'one-stop shop' digital hub for information, tools, research and consumer support.

Investing in Health and Medical Research - Australian Genomic Cancer Medicine Program

The Federal Government will provide \$50 million over five years from 2018-19 to establish eight centres across Australia to deliver genomics-based clinical trials to around 5,000 Australians affected by rare, less common and early onset cancers.

The RACGP supports investment in health and medical research. However, targeted investment in primary healthcare research is needed for more efficient and effective preventive care and improved patient health outcomes.

While not announced as part of the Mid-Year Economic and Fiscal Outlook, it should be noted that in primary care research was included as a [Medical Research Future Fund priority for 2018-20](#).

Support for Stillbirth Research and Education

The Federal Government will provide:

- \$3.0 million for education and awareness programs for women and medical practitioners
- \$3.0 million for stillbirth research through the Medical Research Future Fund
- \$1.2 million to the University of Melbourne to minimise preventable stillbirth through the use of biomarkers and ultrasound in late pregnancy.

Prioritising Mental Health

Headspace satellite sites in regional Australia — additional funding

The Federal Government will provide \$6.1 million over five years to establish headspace satellite sites in Mount Barker and Victor Harbor in South Australia, and Margaret River in Western Australia.

There is evidence to suggest that rural adolescents are at significantly greater risk of major depression, anxiety disorders, nicotine dependence, substance abuse and suicide attempts.⁵

The RACGP supports investment in rural and remote mental health services for young people. The RACGP Position Statement: [Provision of mental health services in rural Australia](#) notes that headspace are well funded to provide

mental health care for rural adolescents, but was geographically limited in coverage across rural Australia and outreach was virtually non-negotiable. Satellite sites will improve ability to provide outreach and coverage in this population.

Headspace sustainability

The Federal Government will provide \$51.8 million over four years for Primary Health Networks to commission increased youth mental health services from headspace and for headspace National to continue to administer eheadspace.

This funding was announced on 14 October 2018. Almost \$13 million will be invested in *eheadspace*, the online counselling service that was accessed by close to 34,000 young people last year. The remaining \$39 million will be used to employ extra staff at existing headspace centres.

The RACGP welcomes initiatives aimed at providing additional support for young people and local communities.

Changes to the National Diabetes Services Scheme and the Continuous Glucose Monitoring Program

The Federal Government will provide \$243.5 million over four years from 2018-19 to support patients purchasing products available through the National Diabetes Services Scheme and expand the Continuous Glucose Monitoring program.

From 1 January 2019, the Continuous Glucose Monitoring program will form part of the National Diabetes Services Scheme. From 1 March 2019, the Continuous Glucose Monitoring program will include:

- women with type 1 diabetes who are pregnant, breastfeeding or actively planning pregnancy
- people with type 1 diabetes aged 21 years or older who have concessional status, and who have a high clinical need such as experiencing recurrent severe hypoglycaemic events
- children and young people with conditions similar to type 1 diabetes who require insulin.

From 1 March 2019, a new flash glucose monitoring system product will be listed through the Continuous Glucose Monitoring program.

From 1 December 2018, cheaper products were made available to patients on the National Diabetes Services Scheme. These include blood glucose test strips, urine test strips and insulin delivery devices. The changes are anticipated to reduce government expenditure and increase revenue, which will in turn fund the Continuous Glucose Monitoring program. The government has not released further details of this revenue.

Drug and Alcohol Support Services

The Federal Government will allocate \$11.1 million over five years from 2017-18 to the *Lives Lived Well* organisation for drug and alcohol support services in the Caboolture and Bribie Island region, Queensland. This measure will be funded by existing Department resources.

From 1 July 2018, \$3.6 million was made available to fund detox and rehabilitation services over three years.

Stronger Rural Health

Royal Flying Doctor Service — additional support

In October 2018, the Federal Government provided \$4.5 million to the Royal Flying Doctor Service to contribute to the purchase of new aircrafts.

Stoma Appliance Scheme

New listings

The Federal Government will provide \$0.2 million over four years, and \$0.1 million per year ongoing, to list five new items on the Stoma Appliance Scheme and implement recommendations from the Stoma Product Assessment Panel. New items include new devices for children and a stomal dilator for adults.

Strengthening Aged Care

'Improved access and compliance'

The Federal Government will provide \$81.7 million over four years to implement changes, including:

- \$39.3 million to create an additional 300 Transition Care Places in Western Australia, to support up to 1,300 older people each year to return to their homes after a hospital stay
- \$30.5 million to introduce an accommodation management payment in the Continuity of Support program
- \$15.6 million to the Department of Health, the Australian Aged Care Quality Agency and the Aged Care Quality and Safety Commission to improve regulatory arrangements including expanded audit and compliance processes
- \$4 million to expand palliative care facilities at Clare Holland House in Canberra
- \$3.9 million to expand the Strathalbyn Aged Care Facility by 12 beds;
- \$0.6 million to implement recommendations from the Aged Care Workforce Taskforce report

The cost of this measure will be partially met from within the existing resources of the Department of Health.

The RACGP also notes that government support for an integrated general practice-led multi-disciplinary approach, allowing for adequate numbers of adequately trained nursing staff and allied health practitioners that focus on residents' and carers' needs, is vital to improve aged care services.

'More places, lower fees, better access'

The Federal Government will provide \$454.9 million over four years to implement changes, including:

- \$287.3 million for 10,000 home care packages (in addition to the 14,000 in-home places that were funded in the May budget by reallocating \$1.6 billion that was unspent on nursing home care)
- \$56.4 million to reduce the daily fee that home care service providers can charge (reduce by \$100 to \$400 a year the fees paid by about 70,000 elderly citizens.)
- \$111.2 million to increase the residential care viability and homeless supplements by 30%.

National Disability Insurance Scheme

Transitioning to full Scheme

The Federal Government has finalised agreements to commence the full National Disability Insurance Scheme (NDIS) in New South Wales and South Australia from 1 July 2018 and Tasmania from 1 July 2019.

The Federal Government will provide an additional \$22.2 million over four years from 2019-20 to the Department of Social Services to support the ongoing national transition to the full NDIS.

The RACGP has previously raised member concerns regarding funding and administration of the NDIS in our [submission](#) to the Joint Standing Committee examining the transitional arrangements for people with disabilities moving on to the NDIS and our [submission](#) to the Productivity Commission's review of NDIS costs.