



## Introduction

The 2019-20 Federal Budget includes some positive steps towards investment in primary care, and recognition of the vital and central role of general practice in the health system.

The key announcements in this budget include the introduction of voluntary patient enrolment (initially starting with patients over 70 years of age), increased funding for the Practice Incentive Program Quality Incentive, and early indexation of remaining Medicare Benefit Schedule (MBS) items delivered by specialist general practitioners (GPs).

The federal government's announcement of additional funding for the Practice Incentive Program Quality Incentive also included the announcement that the Aged Care Access Incentive will be retained. The Aged Care Access Incentive was among the practice incentive payments originally scheduled to be absorbed into the new Quality Incentive. The RACGP had repeatedly called on the federal government throughout 2018 and 2019 to retain the Aged Care Access Incentive and welcomes the decision to retain it, valued at an estimated \$25 million per year.

Funding to support a training pathway for rural generalists was included as a key budget measure, which the RACGP sees as key in addressing the shortage of rural doctors.

The budget also included significant and welcomed funding for Health and Medical Research – including \$45 million allocated to primary healthcare research.

However, the Federal Budget does not go far enough in recognising the key issues affecting GPs and our patients. The RACGP has called for increased funding to support:

- non-face to face care – while patients over 70 years of age will have the opportunity to benefit from non-face to face care through the new chronic disease management model, the ability to access this type of care needs to be applied more broadly
- patients experiencing rising out-of-pocket costs - the RACGP has recommended that out-of-pocket costs can be in part alleviated by introducing automatic price increases for patient rebates that fully reflect the rising costs of providing care. While the federal budget announced the re-indexation of all MBS services provided by GPs, it must be stressed that current indexation is calculated using a method that results in increases lower than the Consumer Price Index (CPI). A more appropriate method of indexation must be applied.

- mental health services provided in general practice – while the RACGP welcomes the commitment of mental health support in the Federal Budget, there is once again a missed opportunity to fund the most efficient part of the health system – general practice. The RACGP has specifically called for the federal government to introduce an MBS item number to support GP mental health consultations lasting 40 minutes or more.
- longer consultations and better weighted Medicare rebates for professional attendances to recognise the time and skills required to undertake complex care.

The RACGP will continue to advocate for the above priorities in the lead up to the federal election and encourages all members to do the same and participate in the [RACGP's election campaign](#).

## Expense (\$m)

Federal Budget (health) overview	2018-19	2019-20	2020-21	2021-22	2022-23	Total
<b>Primary Care</b>	46.7	147.1	142.0	268.8	449.5	1054.1
<b>Medicare compliance</b>	-	-	-	-	-	-
<b>Out-of-pocket costs</b>	-	5.2	2.0	-	-	7.2
<b>New and amended medicines</b>	46.7	101.0	17.8	17.5	18.4	331.0 <sup>c</sup>
<b>Health and Medical Research – 10 year investment plan</b>	0.3	8.4	5.9	9.3	8.4	32.3 <sup>a,b</sup>
<b>National Strategy for Blood Borne Viruses and Sexually Transmissible Infections</b>	-	9.2	7.6	3.4	-	20.2 <sup>a</sup>
<b>My Health Record</b>	-	-	-	-	-	-
<b>Mental healthcare – Natural disaster relief</b>	2.1	2.6	0.4	0.4	-	5.5
<b>Mental healthcare – Caring for our community</b>	8.6	12.9	39.3	40.0	48.6	149.4 <sup>a</sup>
<b>Indigenous suicide prevention</b>	-	1.3	1.3	1.3	1.3	5.0
<b>Supporting Australians living with epilepsy</b>	-	5.0	5.0	5.0	5.0	20.0
<b>Aged care</b>	332.4	145.9	133.7	36.9	21.4	633.4 <sup>a</sup>
<b>Private Health Insurance</b>	-	-	-	-	-	-
<b>Better distribution of medical practitioners</b>	-	-4.8	-43.8	-92.8	-154.9	-296.3
<b>National Disability Insurance Scheme</b>	-	-	-	-	-	-

Figures in the table about take into account total expense, capital and revenue of the relevant measures.

Discrepancies in calculation of 'total' in table and body of overview are due to:

- partial or full funding for this measure has already been provided by government
- total funding announced in the budget was over forward estimates past 2022-23
- revenue for the measure was withheld from the document

## Primary care funding package

The federal government will provide \$1.1 billion over five years from 2018-19 to support a range of measures relating to primary healthcare and frontline health services. The key measures relating to general practice are outlined below.

### New chronic disease management model (voluntary patient enrolment)

The federal government will provide \$448.5 million over the three years from 2020-21 for a new chronic disease care funding model that will provide additional funding to participating practices to support high-needs patients over the age of 70. Under the new model, patients over the age of 70 will be able to voluntarily enrol with their usual general practice for care related to a chronic disease. Other services will continue to be rebated under Medicare.

It is expected that a minority of eligible patients will enrol in the first year of implementation, which the RACGP believes has been factored into funding for this measure. Regardless, the funding allocated does not appear to be sufficient enough to ensure the benefits of a patient enrolment model can be fully realised.

The RACGP supports voluntary enrolment that sees a patient identify a preferred GP at their practice, while also being able to access care from other GPs within or outside of the practice as needed. This measure could help to enhance existing GP-patient relationships by encouraging care to be delivered flexibly (including the use of non-face to face care) by the patient's usual GP.

With the right funding, the RACGP would call for voluntary enrolment and access to more flexible services from a patient's regular GP and practice extended to all patients.

### Practice Incentive Program

The federal government will provide \$201.5 million over five years from 2018-19 for the Practice Incentive Program - Quality Incentive (PIPQI).

The RACGP has previously expressed concern regarding the lack of funding for the Quality Incentive payment and commends the announcement to allocate additional funding to this program.

This funding will also be used to retain the Aged Care Access Incentive (previously scheduled for removal in August 2019).

The RACGP supports the retention of the Aged Care Access Incentive, having repeatedly called on the federal government throughout 2018 and 2019 to reconsider its decision to remove the incentive. The RACGP estimates that approximately \$25.0 million per year in funding is allocated toward the Aged Care Access Incentive, a vital support for GPs working in residential aged care facilities.

### Training for rural generalists

The federal government will provide \$62.2 million over five years from 2018-19 to implement a training pathway for rural generalists and provide additional training places for GPs in rural, remote and regional communities.

The specific training for rural generalists will ensure that GPs and registrars have the right skills to practice in rural settings and can address the shifting needs of rural and remote communities.

The RACGP will launch its own component of the national plan, the Rural Generalist Fellowship, from 2020.

### Rural Health Strategy

The federal government will provide \$26.5 million in 2019-20 to extend the transition period for new arrangements under 'A Stronger Rural Health Strategy', announced in the 2018-19 Federal Budget. These arrangements include changes to the geographic eligibility criteria for rural bulk billing incentives and the introduction of the 'Workforce Incentive Program'.

The Workforce Incentive Program was announced in last year's Budget, and combines the General Practice Rural Incentive Program and the Practice Nurse Program. Originally scheduled for implementation from 1 July 2019, the federal government has announced that the Workforce Incentive Program will now commence from 1 January 2020.

### Re-indexation of GP Medicare services

The federal government will provide \$187.2 million over four years from 2019-20 to re-introduce indexation to all remaining GP services on the MBS. While specialist procedures, GP procedures, and allied health services were already scheduled for re-indexation in 2019-20, some GP services were previously scheduled to remain frozen for

another year. This announcement brings forward the re-indexation of GP Management Plans, Team Care Arrangements, Health Assessments, Mental Health items, and selected diagnostic imaging items by one year.

While the measure is welcome, it fails to repair damage caused by the Medicare rebate freeze. The funding freezes, introduced by successive governments, have exacerbated the failure of proper investment in GP patient rebates to ensure they reflect the cost of providing care. This is in addition to federal governments using Wage Cost Index 5 (WCI5) as a method of indexation, which is consistently lower than both the consumer price index (CPI) and health inflation.

Costs to provide care have continued to increase year on year, but the government has failed to match these increases in the patient rebate.<sup>i</sup> As a result, the government's contribution to patient care now only covers around 50% of total cost to the patient for privately billed care.<sup>ii</sup>

To ensure GPs can continue to provide high quality care to their communities, the RACGP encourages GPs to set fees that reflect the cost and value of the care provided. Until the government commits to substantial investment in GP services, patients will continue to face rising out-of-pocket costs.

### Medicare heart check

The federal government has provided funding (unspecified) for the establishment of a new Medicare heart check item announced in February 2019.

New MBS item numbers for a heart health assessment were introduced on 1 April 2019, and aim to support patients with cardiovascular disease, or patients at risk of developing cardiovascular disease, to access the heart health assessment through a doctor in general practice.

According to [MBS Online](#), the items support a heart health assessment, lasting at least 20 minutes, by a general practitioner (item 699) or a medical practitioner working in general practice (item 177). The new items are intended to provide patients with a comprehensive assessment of their cardiovascular health, identification of any physical or lifestyle-related risks to their cardiovascular health, and a comprehensive preventive health care plan to improve their cardiovascular health.

The RACGP is seeking more information on the details of these new items.

### Urgent Care Centers

The federal government has announced \$28.0 million over five years from 2018-19 to St John's Hospitals to trial urgent care centers in Western Australia.

Any program that seeks to duplicate existing primary healthcare services will invariably lead to fragmentation of care. Greater benefits for urgent care in Western Australia could be achieved by supporting existing general practices to deliver these services, providing far broader coverage than the proposed trial.

The RACGP has concerns regarding this measure, and will be seeking to obtain more information on the Western Australia trial and urgent care centers.

### Chronic disease management grants

The federal government will provide \$17.2 million over five years from 2018-19 to establish a Chronic Disease Grant Program. The program will fund priority activities recommended by the National Strategic Action Plans.

This initiative is one of several broader strategies within the budget that can help prioritise the needs of Aboriginal and Torres Strait Islander patients.

The RACGP is seeking more information on this measure.

### Community health projects

The federal government will provide \$38.3 million over five years from 2018-19 to fund other community health projects to support primary care and improve frontline health services for Australians.

No further details are available regarding what community health projects will be funded. The RACGP is seeking more information on this measure.

## Medicare Compliance

The federal government will invest \$105.9 million over five years from 2018-19 toward improving Medicare compliance arrangements and debt recovery.

Funding for this measure has already been provided for by the Government and does not represent 'new' investment, and nor does the RACGP consider this to be an investment in healthcare.

## Transparency of out-of-pocket costs

The federal government will provide \$7.2 million over three years from 2019-20 to increase the availability of information on medical out-of-pocket costs. Information will be provided nationally, with an initial focus on specialist fees for gynaecology, obstetrics, and cancer services.

This measure is the first stage of the federal government's response to the [Ministerial Advisory Committee's report on out-of-pocket costs](#). The federal government has [announced](#) that they will be funding the development of a website that will publish de-identified data showing the range of fees and resulting out-of-pocket costs charged by specialists for treatments funded under Medicare.

People will also be able to identify the typical specialist costs for common treatments where more than one service is needed, such as for breast cancer. The information and website will be accompanied by a funded education initiative. No further details on this education initiative, including its amount of funding, are currently available.

While the RACGP supports efforts to improve transparency surrounding out-of-pocket expenses, GPs should not be responsible for finding patients the most inexpensive surgeon or procedure available. The role of a GP is to recommend the best specialist to address their patient's specific health problem.

## Access to Medicines – New and Amended listings

The federal government will provide \$331.0 million over five years from 2018-19 for new and amended listings on the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS).

New and amended listings include:

- Osimertinib (Tagrisso®) from 1 February 2019, for the treatment of locally advanced or metastatic non-small cell lung cancer
- Venetoclax (Venclexta®) from 1 March 2019, for the treatment of chronic lymphocytic leukaemia
- Nivolumab (Opdivo®) with Ipilimumab (Yervoy®) from 1 March 2019, for the treatment of stage IV clear cell variant renal cell carcinoma
- Brentuximab vedotin (Adectris®) from 1 April 2019, for the treatment of CD30 positive cutaneous T-cell lymphoma
- Inotuzumab ozogamicin (Besponsa®) from 1 May 2019, for the treatment of acute lymphoblastic leukaemia.

The cost of some of these medicines will be reduced by revenue from rebates negotiated as part of purchase agreements. Details of the revenue are not for publication due to commercial sensitivities.

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

## Health and Medical Research

The federal government announced several measures relating to health and medical research. The key measures that may be of interest to GPs are outlined below.

### Medical Research Future Fund – 10 year investment

The federal government will provide \$5.0 billion to fund a 10 year investment plan for the Medical Research Future Fund across four themes:

- Patients – an additional \$931.0 million for a total of \$1.3 billion
- Researchers – an additional \$444.6 million for a total of \$792.8 million
- Missions – an additional \$1.2 billion for a total of \$1.4 billion



- Including \$160.0 million allocated to the Indigenous Health Futures Fund. These funds will focus on a range of research initiatives, including enhancing primary healthcare, ending rheumatic heart disease and avoidable blindness and deafness.
- Translation – an additional \$1.2 billion for a total of 1.5 billion
  - Including \$45.0 million for primary healthcare research. The translation stream of funds will work to progress research ideas from the lab to the clinic, ensuring that medical discoveries are part of clinical practice of general practitioners, specialists and hospitals.

Primary healthcare research is essential in ensuring all Australians can access a high quality, effective and evidence-based primary health care system. There is currently a mismatch between where research is conducted and where most Australians access the majority of their healthcare. GPs and their teams manage the majority of patient health issues. Yet, most medical research continues to be conducted in the hospital sector.

There is concern that some primary healthcare research funding is being used to support 'primary healthcare' initiatives in the hospital setting. The RACGP firmly believes that it is essential that primary healthcare research funding is allocated towards core primary care settings, such as general practice, and will continue to advocate on this issue.

### Lowitja Institute

The federal government will provide 10.0 million over three years from 2019.20 to Australia's National Institute for Aboriginal and Torres Strait Islander Health Research – the Lowitja Institute.

### Health and Medical Research Office

The federal government announced \$20.0 million over four years from 2019-20 to enhance administrative arrangements for managing the Medical Research Future Fund by establishing the Health and Medical Research Office.

At this stage it is unclear if the newly Health and Medical Research Office differs from the existing Office of Health and Medical Research. The RACGP will seek further information on this measure.

### Implementation of National Strategies for Blood Borne Viruses and Sexually Transmissible Infections

The federal government will provide \$40.4 million over three years from 2019-20 for the Commonwealth's contribution to implementing the *National Blood Borne Viruses and Sexually Transmissible Infections (STI) Strategies 2018-2022*. The Strategies are a joint activity with state and territory governments and are designed to reduce the prevalence, incidence and transmission risks of Blood Borne Viruses and Sexually Transmissible Infections in the community.

This initiative is one of several broader strategies within the budget that can help to prioritise the needs of Aboriginal and Torres Strait Islander patients.

### My Health Record

The federal government will provide \$200.0 million in 2019-20 to continue the My Health Record system.

Funding for this measure has already been provided by the government and does not represent new investment.

### Mental Health

The federal government announced several measures relating to health and medical research – below are the key measures as they relate to general practice.

### Natural Disaster Assistance

The federal government will provide \$5.5 million over four years from 2018-10 for additional mental health services for communities impacted by natural disasters in Victoria, Queensland and Tasmania. This included \$1.3 million for the Centre of Post-traumatic Mental Health to develop and implement online training tools to assist health practitioners to better support communities affected by disasters.

This announcement also re-confirms the introduction of Medicare items for GPs to provide telehealth services to flood affected communities in Queensland until 30 June 2019.

### Caring for our community package

The federal government announced \$229.9 million over seven years from 2018-19 (including \$80.5 million beyond 2022-23) to improve mental health services within the community, by funding a number of initiatives, including:

- \$114.5 million over five years from 2020-21 to trial eight mental health centres focusing on specialised support for adults requiring treatment, particularly after-hours
- \$43.9 million over seven years from 2018-19 (and \$8.8 million per year ongoing) for a new *Perinatal Mental Health and Wellbeing Program* to support the mental health of expectant and new parents by improving access to mental health support and treatment services and increasing community awareness of the mental health issues experienced by new parents;
- \$15.0 million over three years from 2019-20 to the Australian Institute of Health and Welfare for the improvement of data on self-harm and suicide to assist governments, communities and mental health and suicide prevention bodies to better respond to incidences of self-harm and suicide.

The cost of this measure will be partially met through existing resources of the Department of Health, and a provision of \$6.1 million that has already been included in the forward estimates.

### Indigenous Suicide Prevention Initiatives

The federal government will provide \$5.0 million over four years from 2019-20 to implement Indigenous suicide prevention initiatives. These will be led by local youth Indigenous leaders to ensure that support is culturally appropriate and tailored to meet the specific needs of affected communities.

### Improving Indigenous Health

The federal government have stated that improving Indigenous health remains a key target of the refreshed Closing the Gap Framework. While it was announced that funding has had a modest increase in funding to \$4.1 billion from 2019-20 to 2022-23, this does not represent new investment in the program.

The next iteration of the Aboriginal and Torres Strait Islander Health Plan Implementation Plan is expected in 2019-20, with a focus on social and cultural determinants of health. The Government has also committed to a process to co-design options on a 'Voice to Parliament' for Aboriginal and Torres Strait Islander people, but has not provided new funding for this process.

### Supporting Australians living with epilepsy

The Government will provide \$20.0 million over four years from 2019-20 towards the *Epilepsy Smart Australia Program Pilot* that will be delivered by Epilepsy Australia member organisations to support Australians living with epilepsy.

The *Epilepsy Smart Australia Program Pilot* aims to reduce chronic health impacts experienced by those who have epilepsy by providing support and resources to encourage being healthy and active, to promote participation and retention in education and the workplace, and to support the health sector workforce.

### Aged Care

The government will provide \$724.8 million for aged care over five years from 2018-19. This will provide funding for a range of measures that will involve general practice, including:

- \$320.0 million in 2018-19 for a one-off increase to the basic subsidy for residential aged care recipients
- \$4.6 million over two years from 2018-19 to trial a residential care needs assessment funding tool as an alternative to the Aged Care Funding Instrument
- \$2.6 million in 2019-20 to provide additional support for implementation of the Aged Care Workforce Strategy

The RACGP welcomes this additional funding. However, there is a missed opportunity to better support the delivery of services provided by GPs in residential aged care facilities, especially in light of the [1 March 2019 MBS changes](#) to GP services provided in this setting. The RACGP will continue to advocate for increased funding for GP in-reach services.

### Private Health Insurance – Consumer information campaign

The federal government has reconfirmed funding of \$5.0 million over two years from 2018-19 for an information campaign to inform Australians of the implementation of private health insurance reforms.

The information campaign will outline the new classifications of private hospital cover (gold, silver, bronze or basic), and the reforms concerning improved access to mental health treatments.

### Better Distribution of Medical Practitioners

The federal government will extend the 2018-19 Budget measure titled *Visas for General Practitioners — targeting areas of doctor shortages*, by reducing the number of entry visas for overseas trained GPs by a further 155.

The federal government already reduced the number of entry visas for overseas trained GPs by 800 from 1 January 2019, saving \$415.5 million (2018-19 Federal Budget). This expanded measure will save the federal government a further \$296.3 million over four years from 2019-20.

The RACGP has previously advocated for changes to the skilled visa program. The RACGP maintains that the general practice workforce in Australia is no longer an issue of supply. Rather, it is an issue of maldistribution. Reducing the intake of overseas trained doctors and more effectively distributing them where they are most needed is a step in the right direction. However, the federal government must also invest in long-term strategies to encourage local graduates to work in rural areas in order to address maldistribution issues.

The RACGP supports the federal government's commitment to reinvest the savings of this measure into other health priorities.

### National Disability Insurance Scheme

The federal government announced it will not proceed with the 2016-17 Budget measure titled *National Disability Insurance Scheme (NDIS) Savings Fund*. The federal government state this is primarily a result of lower than expected level of supplier costs.

The RACGP is seeking more information on this measure.

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<sup>i</sup> Australian Institute of Health and Welfare. Health expenditure Australia 2016–17. Cat. no. HWE 74. Canberra: AIHW, 2017. Available at [www.aihw.gov.au/reports/hwe/073-1/health-expenditure-australia-2016-17/contents/table-of-contents](http://www.aihw.gov.au/reports/hwe/073-1/health-expenditure-australia-2016-17/contents/table-of-contents) [Accessed 3 April 2019].

<sup>ii</sup> Department of Health. Annual Medicare statistics – Financial years 1984–85 to 2017–18. Canberra: DoH, 2018. Available at [www.health.gov.au/internet/main/publishing.nsf/Content/Annual-Medicare-Statistics](http://www.health.gov.au/internet/main/publishing.nsf/Content/Annual-Medicare-Statistics) [Accessed 3 April 2019].