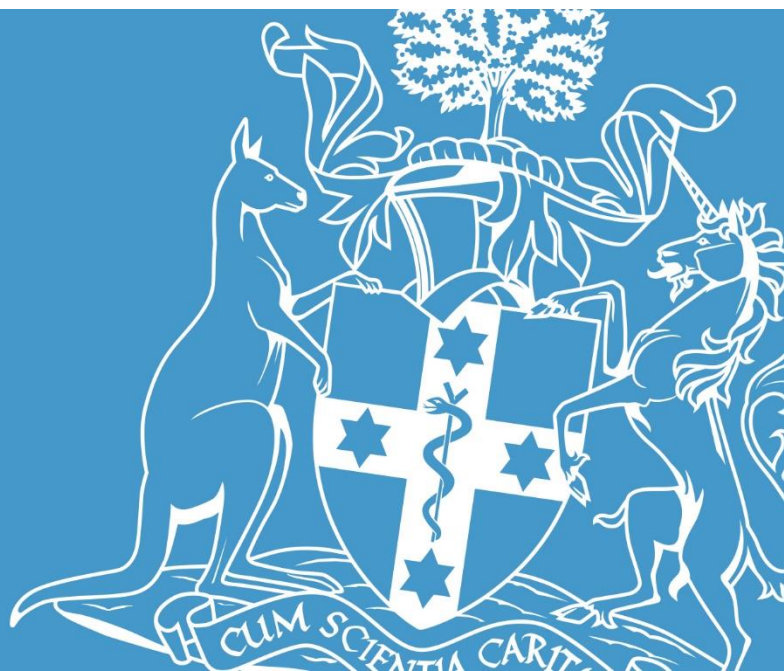


Overview of the Federal Budget 2020–21

October 2020



The Federal Budget 2020–21 is heavily focused on economic recovery from the COVID-19 pandemic in the form of economic stimulus and job creation.

Consequently, many of the key announcements in the 2020–21 budget represent a direct response to the immediate health issues facing Australia. They include mental health support and suicide prevention, the extension of telehealth, respiratory clinics, pathology testing, and additional support for the aged care sector.

The RACGP is pleased with the additional funding announced through the Indigenous Australians Health program in support of primary care delivery.

While these announcements are broadly welcomed and essential to tackle current issues, it is vital that the government now focus on prioritising reforms to primary care that will ensure the long-term health of all Australians, and work to future-proof the system against health crises.

The COVID-19 pandemic has demonstrated how important integrated and supported primary care is to managing threats to population health and the healthcare system. We have witnessed the detrimental impacts poor health can have on individuals physically, mentally, socially and economically.

The RACGP will advocate strongly ahead of the next suite of funding announcements to ensure that primary care and a long-term health vision is prioritised. We will use our [Vision for general practice and a sustainable healthcare system](#) as the blueprint for system reform.

Federal Budget (health) overview (selected measures)	Total
COVID-19 pandemic response – Primary care	\$2.4 billion, including: <ul style="list-style-type: none">\$111.6 million for extension of temporary COVID-19 telehealth services until 31 March 2021\$170.8 million to extend respiratory clinics until 31 March 2021
COVID-19 pandemic response – Pathology	\$711.7 million in funding for COVID-19 testing to 31 March 2021 \$42.0 million for dedicated 'in-reach' COVID-19 pathology for RACFs

Implementation of Medicare Benefits Schedule (MBS) Review	\$17.3 million over two years from 2020–21 to 2021–22
Stronger Indigenous health	\$33.0 million over 3 years from 2020–21 for Aboriginal and Torres Strait Islander primary health care services \$14.4 million allocated in first grant round of Indigenous Health Research Fund
Rural Health	\$125 million between 2020–21 to 2024–25 for a Rural, Regional and Remote Clinical Trial Enabling Infrastructure Program under MRFF \$50.3 million between 2020–21 to 2023–24 to expand Rural Health Multidisciplinary Training Program \$3.3 million between 2020–21 to 2021–22 for new models of primary care to address rural workforce shortages
Listing of new items on the PBS & Amendment of National Immunisation Program	\$375.5 million over four years from 2020-21
Aged care – COVID-19 pandemic response	\$746.0 million
Mental Health – Better Access Initiative	\$101.0 million
Medical Research – COVID-19 pandemic response	\$2.3 billion from 2019–20 to 2021–22
Mental health support for veterans and their families	\$101.7 million over four years from 2020–21

COVID-19 pandemic response – Primary care

Telehealth

The Federal Government has provided a total of \$2.4 billion for Medicare-subsidised telehealth services, including \$111.6 million for the extension of temporary COVID-19 services until 31 March 2021.

The Government is also developing options for the long-term adoption of telehealth beyond the COVID-19 pandemic, and the budget includes \$18.6 million for the preparation of permanent telehealth infrastructure beyond 31 March 2020.

While not a substitute for face-to-face care, telehealth provides greater flexibility for patients, is useful in connecting with hard-to-reach groups, and will be key to addressing the long-term health impacts of COVID-19. The RACGP will work with the government on a long-term solution for telehealth.

GP-led respiratory clinics

The Federal Government has provided \$377.5 million for 150 GP-led respiratory clinics since the start of the pandemic. This includes \$170.8 million to extend respiratory clinics until 31 March 2021. These clinics have been set up to reduce pressure on hospitals by managing and diagnosing COVID-19 cases.

COVID-19 pandemic response – Pathology

The Federal Government will provide \$711.7 million in funding for COVID-19 testing to 31 March 2021, including funding bulk-billed tests for patients referred for testing by their GP, and \$42.0 million for dedicated 'in-reach' COVID-19 pathology collection and testing services for residential aged care facilities (RACFs).

With pathology service demand stabilising after decreasing in March and April 2020, the government withdrew the moratorium on opening new approved pathology collection centres on 30 June 2020. The RACGP called for the moratorium to be removed following members' feedback that it had placed them in a difficult position when negotiating on pathology collection centre rent reductions during the pandemic.

Implementation of Medicare Benefits Schedule Review

The continued implementation of reforms arising from the Medicare Benefits Schedule (MBS) Review and building a continuous review mechanism will cost \$17.3 million over two years (from 2020–21 to 2021–22).

While supporting the principles, the RACGP has to date been concerned about MBS Review engagement. We are pushing for more constructive dialogue with the Department of Health (DoH) to ensure changes arising from the review do not adversely affect GPs and their patients.

Stronger Aboriginal and Torres Strait Islander health

The long-awaited new funding model for Aboriginal Community Controlled Health Organisations (ACCHOs) commenced on 1 July 2020. The 2020–21 budget includes \$33 million over three years from 2020–21 for Aboriginal and Torres Strait Islander primary healthcare services to expand in areas of greater need or high population growth, or where there are service gaps. Though welcome, further investment in infrastructure is needed to strengthen sector capacity.

Following commitments to fund Aboriginal and Torres Strait Islander health research in the 2019–20 budget, \$14.4 million has been allocated through the first grant round of the Indigenous Health Research Fund (nine projects over three years commencing 2019–20), and \$19.785 million through round one of the Indigenous Australians Health Programme (IAHP) Emerging Priorities (33 grants for three years from 2019–20).

These projects will investigate areas such as ending avoidable deafness and blindness in Aboriginal and Torres Strait Islander people, and helping to eradicate chronic kidney disease.

The 2020–21 budget is a missed opportunity for the government to strengthen its commitment to the new Closing the Gap National Agreement, with no further funding announced for specific measures related to the 16 Closing the Gap targets.

Rural health

The Federal Government outlined a range of measures to support training and access to primary care in regional and rural areas, including:

- \$125 million between 2020–21 and 2024–25 for a Rural, Regional and Remote Clinical Trial Enabling Infrastructure Program under the Medical Research Future Fund (MRFF). This will consist of three projects – \$18.6 million for oncology, \$75.2 million for the Queensland Department of Health ‘teletrial’ program, and \$30.6 million to New South Wales Ministry of Health for clinical trials improving access to healthcare in rural, regional and remote NSW and ACT
- \$50.3 million between 2020–21 and 2023–24 to expand the network of 16 university departments of rural health delivered under the Rural Health Multidisciplinary Training program
- \$3.3 million between 2020–21 and 2021–22 for new models of primary care to address rural workforce shortages. The RACGP understands this funding will be used to test new primary care models across western and southern NSW, providing local health services to rural communities.

Ongoing access to medicines during COVID-19

The Federal Government is spending \$30 million between 2019–20 and 2020–21 to ensure access to medicines during COVID-19. This includes the expedited implementation of electronic prescribing (ePrescribing) and the COVID-19 Home Medicines Service for vulnerable patients or patients who are in home isolation.

The RACGP supports efforts to implement ePrescribing. We are advocating for further work on the model to ensure widespread adoption by general practice, which will be crucial to its success.

Seventh Community Pharmacy Agreement

The Seventh Community Pharmacy Agreement (7CPA), announced in June 2020, provides \$18.3 billion for pharmacy dispensing and programs over five years to 2024–25. The RACGP welcomes the expansion of the Closing the Gap Pharmaceutical Benefits Scheme (PBS) co-payment measure, one of several Aboriginal and Torres Strait Islander-specific initiatives announced in the 7CPA.

The first year of the 7CPA (2020–21) will focus on reforming community pharmacy programs, such as reviewing use of psychotropic medicines and delivering follow-up pharmacy services.

The RACGP is calling for the Medical Services Advisory Committee to ensure their review of community pharmacy programs is open for consultation with all key stakeholders, and follows a transparent process. Any decisions about the future of community pharmacy programs must be based on evidence of efficiency and effectiveness, and with the holistic patient journey in mind.

Listing of new items on the PBS

The Government will provide \$375.5 million over four years from 2020–21 for new and amended listings:

- Revlimid (lenalidomide) was made available to include in the treatment of patients with newly diagnosed multiple myeloma – a cancer of the bone marrow – after an autologous stem cell transplant, from 1 April 2020
- Repatha (evolocumab) was made available for the treatment of atherosclerotic cardiovascular disease and familial hypercholesterolaemia, from 1 May 2020
- Ozempic (semaglutide) was listed for the treatment of type 2 diabetes, from 1 July 2020
- Revlimid (lenalidomide) was expanded to allow use in combination with Velcade (bortezomib) and dexamethasone for previously untreated multiple myeloma, from 1 June 2020
- Rozlytrek (entrectinib) was listed for the treatment of non-small-cell lung cancer.
- Ventolin (salbutamol) was listed for the treatment of asthma, from 1 August 2020
- Pembrolizumab (keytruda) was listed for the treatment of melanoma, non-small-cell lung cancer and primary mediastinal B-cell lymphoma, from 1 September 2020
- Calquence (acalabrutinib) was listed for the treatment of chronic lymphoma leukaemia or small lymphocytic lymphoma from, from 1 September 2020
- Acalabrutinib (calquence) was listed for the treatment of leukaemia, from 1 September 2020
- Apomorphine (apomine) was listed for the treatment of Parkinson's disease, from 1 October 2020
- Medicines treating pulmonary arterial hypertension, from 1 October 2020
- Eylea (aflibercept) was listed for the treatment of subfoveal choroidal neovascularisation due to pathologic myopia, from 1 October 2020
- Lynparza (olaparib) will be made available for the treatment of newly diagnosed advanced high-grade epithelial ovarian, fallopian tube or primary peritoneal cancers, from 1 November 2020
- Tecentriq (atezolizumab) and Avastin (bevacizumab) will be made available for Hepatocellular carcinoma from, 1 November 2020
- Additional new and amended listings will be announced and introduced from 1 November 2020

The funding also covers amendments to the National Immunisation Program (NIP) from 1 July 2020, including access to:

- meningococcal B vaccine for Aboriginal and Torres Strait Islander infants two years and under. A catch-up program will be available until 30 June 2023
- pneumococcal vaccines for people 70 years and older and Aboriginal and Torres Strait Islander people aged 50 years and older
- increased access to free pneumococcal, meningococcal ACWY and the Haemophilus influenzae type b (Hib) vaccines for people with certain medical conditions.

Antimicrobial resistance

The Federal Government will spend \$22.5 million on antimicrobial (AMR) resistance surveillance. This will support continued administration of the national Antimicrobial Use and Resistance in Australia (AURA) Surveillance System and the national antimicrobial strategy to provide guidance on minimising the development and spread of AMR.

COVID-19 pandemic response – National medical stockpile

The Federal Government will spend \$3.3 billion on the national medical stockpile, facilitating purchase of medicines and personal protective equipment (PPE).

GPs have faced difficulties accessing suitable PPE during the pandemic and the RACGP has emphasised the need to establish better distribution channels to meet need.

Private health insurance

Increasing the age of dependents

From 1 April 2021, the Federal Government will increase the maximum age of dependants for private health insurance policies from 24 to 31 years. This means dependents will be able to remain on the family policy until the commencement of lifetime health cover when they turn 31. The age limit for dependants with a disability will be removed, which means they can choose to be covered under a family policy rather than purchase a standalone policy.

Transparency of out-of-pocket costs

The Federal Government will provide \$17.1 million from 2020–21 to 2023–24 to upgrade the Medical Cost Finder website, which publishes individual non-GP medical specialist fees.

Expanding home and community-based mental health and rehabilitation care

The Federal Government will expand home and community-based care for rehabilitation services through private health insurance. This measure is intended to enable patients to undertake recovery and rehabilitation in their own homes – where preferred and clinically appropriate – with the support of their doctor.

A rehabilitation plan will be developed by an appropriate doctor, which explicitly considers home and community care options, in consultation with the patient. This measure will also expand insurer options for funding of non-MBS mental health care services from general treatment and hospital treatment policies. The DoH will commence detailed consultation with the sector on these initiatives, with the goal of implementing these reforms from 1 April 2021.

The RACGP is seeking further information.

Aged care – COVID-19 response

The Federal Government has announced an additional \$746 million to support the aged care sector's response to the COVID-19 pandemic, primarily targeted at workforce. This includes:

- \$440 million for the Aged Care Workforce Retention Bonus Payment
- \$245 million to mandate trained infection-control officers in RACFs, support facilities in rural and remote areas, and support facilities caring for people who are homeless or at risk of becoming homeless
- \$92 million to support staff working at a single site
- \$81 million for a surge workforce and increased training
- \$71 million for 'additional short-term support for older Australians'
- \$11 million to support nursing skills and competence
- \$9 million for the Royal Commission into Aged Care Safety and Quality
- \$8.4 million to assist with the costs of staff quarantine
- \$1.5 million to support communication with residents' families

A further \$146 million is being provided under the Guaranteeing Medicare – COVID-19 Pandemic Response – Pathology measure to support COVID-19 testing for residents of and workers in RACFs.

Other funding for aged care

This 2020–21 budget also provides:

- \$125 million over three years to transition older Australians who are ineligible for support via the National Disability Insurance Scheme (NDIS) to a new Disability Support for Older Australians (DSOA) Program, commencing 1 July 2021
- \$92 million over two years to support the potential implementation of the proposed new Australian National Aged Care Classification (AN-ACC) funding model, including a 'shadow assessment' trial period
- \$11.3 million in 2020–21 for increased support services for carers of people experiencing behavioural and psychological symptoms of dementia
- \$10.8 million over five years to expand the Australian College of Nursing scholarship program and establish an Aged Care Transition to Practice Program and a skills development program for nurses and personal care workers
- \$10.6 million over three years to establish a network of independent system coordinators to engage with younger people living in, or at risk of entering, residential aged care, and help them navigate various state/territory and federal government systems
- \$4.1 million to support the DoH and the Aged Care Quality and Safety Commission to respond to requests made by the royal commission
- \$3.6 million to extend the Greater Choice for At Home Palliative Care program, supporting its implementation across trial sites in 11 Primary Health Networks across the country.

Mental Health – Better Access Initiative

The Federal Government is providing \$101 million for an additional 10 Medicare-subsidised psychological therapy sessions each year for patients with a Mental Health Treatment Plan. Eligible patients may now access 20 sessions each year. The Federal Minister for Health has suggested that access to these additional sessions will commence Friday 9 October 2020, though we are seeking confirmation.

This increase was recommended by the Productivity Commission Draft Report into mental health prior to COVID-19. The final report was delivered to the Government on 30 June 2020, but has not yet been publicly released.

The RACGP considers that appropriate safeguards and measures need to be implemented to prevent any unintended negative consequences when increasing the number of MBS-related psychological therapy sessions. Inappropriately increasing the maximum number of sessions could drive up the number of patients who do not obtain any meaningful benefit from these referrals, decreasing access elsewhere.

Preventive health

The Federal Government will provide funding as part of Preventative Health Strategy, including:

- \$50.0 million over two years from 2020–21 to support the establishment of the Victorian Melanoma and Clinical Trials Centre at the Alfred Hospital
- \$21.2 million over four years from 2020–21 (and \$0.1 million in 2024–25) to support delivery of initiatives under the Roadmap for Hearing Health
- consolidating Cancer Australia's tumour-specific funding streams, providing \$11.5 million over four years from 2020–21 to support initiatives for a broader range of cancer types in line with emerging priorities
- \$4.0 million over four years from 2020–21 to the Organ and Tissue Authority to work with community, and corporate and sporting organisations to raise awareness of the importance of organ and tissue donation
- \$0.6 million over two years from 2020–21 to support the Leukaemia Foundation to implement the National Strategic Action Plan for Blood Cancer and to extend the expert Blood Cancer Taskforce. The RACGP has endorsed this strategic action plan
- \$0.6 million over two years from 2020–21 towards the awareness and management of migraines, including advice to medical practitioners on current migraine treatments.

The RACGP expects further announcements on funding for preventive health as the Government concludes consultation on its 10-Year Preventive Health Care Plan. We expect a draft plan to be released in late 2020.

Support for thalidomide survivors

The Federal Government will provide \$44.9 million over four years from 2020–21 (and \$3.9 million per year ongoing) to support Australia's thalidomide survivors, in response to recommendations from the final report from the senate inquiry into support for Australia's thalidomide survivors (handed down in March 2019).

The assistance will include a lump sum payment, an annual payment, and the Extraordinary Assistance Fund for disability support and healthcare assistance.

Medical research – COVID-19 response

A total of \$2.3 billion from 2019–20 to 2021–22 is provided for COVID-19 vaccine doses and research through Australia's COVID-19 Vaccine and Treatment Strategy and the MRFF.

The Federal Government will provide \$1.9 billion for COVID-19 supply and production of vaccine doses, including:

- \$1.7 billion to secure early access for the Oxford vaccine (33.8 million doses) and the University of Queensland vaccine (51 million doses). This includes a production agreement with Seqirus to support the on-shore manufacture of the Oxford vaccine
- \$123.2 million to access vaccine doses through the self-financing component of the Gavi COVAX Facility (up to 25.5 million doses)
- \$24.7 million to purchase and store 100 million needles, syringes and associated sharps-disposal containers.

The budget includes a further:

- \$362 million, including \$95.2 million from the MRFF for diagnostics, vaccine development, antiviral development, clinical trials, digital health research infrastructure and research into the human immune response to COVID-19 infection
- \$80 million to secure COVID-19 vaccines for developing countries through the Advance Market Commitment component of Gavi COVAX Facility.

The funding will go towards vaccine development, anti-viral development and respiratory medicine research.

The RACGP welcomes, and is reassured by, the clear investment in COVID-19 treatment and vaccination. It is important that GPs are at the forefront of preparing the public for a new vaccination, and supporting uptake once it is available.

The safe and efficient delivery of the COVID-19 vaccination will not be possible without general practice. The COVID-19 vaccination will have no post-marketing safety data and will need to be administered with full medical supervision to

protect the Australian public. GPs are a trusted source of medical information and will be highly influential in encouraging vaccine uptake. It is vitally important that record-keeping is of the highest order, and patients are closely monitored by a qualified medical practitioner for potential adverse events, in the short- and long-term.

MRFF

Continued funding is provided for all existing programs under the \$5 billion 10-year Investment Plan for the MRFF, which reached maturity at \$20 billion in July 2020.

This 10-year plan builds on \$3.6 billion in health and medical research funding provided through the National Health and Medical Research Council, and the \$500 million Biomedical Translation Fund.

Also, \$10 million per year from the 10-year plan's previously announced [Research Data Infrastructure Initiative](#) has been allocated to primary healthcare.

Under the 10-year plan, a total of \$579.9 million will be spent in 2020–21 from the ongoing \$20 billion MRFF on research under four key themes:

1. Patients (\$140.3 million) – treatments, clinical trials, and delivery of healthcare and medical technology
2. Researchers (\$92.6 million) – supporting researchers to develop their skills and progress their careers
3. Research missions (\$175.7 million) – investment, leadership and collaboration, including in genomics, stem-cell therapies, cardiovascular health, traumatic brain injury, mental health, brain cancer, Aboriginal and Torres Strait Islander health, and dementia, ageing and aged care
4. Research translation (\$171.2 million) – from the research lab to clinical practice

Research grant opportunities

A total of \$424.3 million in new grants and programs is provided in 2020–21 to assist researchers from the MRFF and the National Health and Medical Research Council (NHMRC).

New program rounds include:

- \$110 million for 2021 Frontier Health and Medical Research, open on 7 October 2020
- \$7.5 million for Efficient Use of Existing Medicines, open on 7 October 2020
- \$44 million for 2021 Centres of Research Excellence, open on 21 October 2020
- \$9 million to research causes, biology and progression of cancer in children and young adults.

The RACGP applauds the \$424.3 million dedicated to new research grants; however, with the exception of the \$10 million for primary healthcare research data infrastructure, no new funds are targeted at general practice research, which remains underfunded. General practice research must be seen and treated as the critical national capability it is. Not only to ensure our health and quality of life, but as a key driver of our economy.

NDIS

The Federal Government will provide a further \$3.9 billion to support the delivery of the NDIS. The National Disability Insurance Agency (NDIA) and the NDIS Quality and Safeguards Commission will receive an additional \$798.8 million over four years from 2020–21.

Health delivery modernisation – Phase two

The Federal Government will provide \$116.3 million over four years from 2020–21 (including \$50 million in capital funding over two years from 2020–21), for the systems that process Medicare, the PBS and health related payments. This measure builds on the 2019–20 Mid-Year Economic and Fiscal Outlook (MYEFO) measure, Guaranteeing Medicare – health and aged care payments system maintenance.

Mental health support for veterans and their families

The Federal Government will provide \$101.7 million over four years from 2020–21 for veterans' mental health support and services. This includes \$2.4 million over four years to expand eligibility for the Coordinated Veterans' Care program, which provides GP-led team-based care, to White Card holders with an accepted mental health condition. This program is currently available to Gold Card holders with a chronic health condition, and those who are at a risk of unplanned hospitalisation.

The RACGP supports initiatives aimed at improving mental health support for veterans, and welcomes the Government's move to expand eligibility for the Coordinated Veterans' Care program.