RACGP
Royal Australian College of General Practitioners

Healthy Profession. Healthy Australia.

22 July 2026

Ms Apolline Kohen
Committee Secretary
Senate Community Affairs Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: community.affairs.sen@aph.gov.au

Dear Ms Kohen

RE: Health Insurance Amendment (Incentive Payments and Other Measures) Bill 2026

The Royal Australian College of General Practitioners (RACGP) welcomes the opportunity to provide a submission in response to the Health Insurance Amendment (Incentive Payments and Other Measures) Bill 2026 (the Bill).

The RACGP supports the intent of the Bill to modernise the legislative basis for Commonwealth incentive payment programs. However, the RACGP cannot endorse the Bill unless changes are implemented to address concerns surrounding the following issues:

- The lack of robust safeguards around compliance powers to prevent 'red tape' administrative barriers that take time away from patient care.
- The potential for 'Robodebt style' automated decision-making in incentive payment administrative process, with a need to maintain meaningful human oversight, clear decision-making criteria and appropriate review mechanisms.
- The lack of 'lock in measures' for incentive payments that ensure at a minimum they keep pace with inflation and the cost of providing high-quality patient care.

To address these concerns, the RACGP recommends specific changes to the legislation as per Appendix 1.

Practice incentive programs are critical to the viability of general practice and ensuring patients can access the care they need. Any changes to these programs should be carefully considered to minimise any adverse impacts on patients and their health outcomes.

We would welcome the opportunity to discuss these amendments further and provide any additional information that may assist. Please contact Samantha Smorgon, Head of Funding and Health System Reform, on (03) 8699 0566 or via samantha.smorgon@racgp.org.au if you have any questions or comments regarding our submission.

Yours sincerely

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Appendix 1

Schedule 1 – Main amendments

Measures relating to Item 3 – After subsection 19(2)

The RACGP supports this amendment given its intention to clarify that professional services provided under or for the purposes of an incentive payment program will not affect Medicare benefits payable for those services.

Part V – Incentive payment programs

Measures relating to Division 1 – Simplified outline of this Part

47 – Simplified outline

The Bill establishes an enabling legislative framework, with the substantive design and operation of incentive payment programs to be stipulated through the incentive payment program rules. While this may provide flexibility to respond to evolving health system priorities, we highlight the importance of early and meaningful consultation with peak bodies, including the RACGP, if intending to alter any incentive payment program via program rules to ensure they are fit for purpose.

The RACGP recommends that, upon implementation of this legislation, an appropriate Expert Advisory group be established with key stakeholders. Alternatively, this item should be added to the workplan of an existing appropriate group for a detailed review. The Minister for Health, Disability and Ageing should report back to the Parliament on this action within 6-12 months of legislation commencement.

Measures relating to Division 2 – Incentive payment programs

48 – Incentive payment programs

The RACGP notes and welcomes the Health Minister's assurance during the second reading speech regarding Subsection 48(1) that the Bill will not alter the substantive policy settings of existing incentive programs and that practices will 'transition seamlessly to the new legislative framework without the need to reapply' or undertake additional administrative processes. This commitment provides confidence to general practices that implementation of the Bill will not create any additional administrative burden. This is of particular importance for smaller and rural practices that may find additional requirements disproportionately onerous.

As stipulated in section 2, practice incentive programs are critical to the viability of general practice and provision of patient care. This is also highlighted in a previous RACGP submission to the 'Effectiveness Review of General Practice Incentives'. Changes to general practice incentive payments and associated funding programs must not result in a net loss in funding for general practice. Notably, the Bill contains no mention of broader additional funding reforms to improve access, reduce administrative burden or address persistent inequities.

The RACGP recommends the Bill be amended after Subsection 48(5) to stipulate "measures for incentive payments will, at a minimum, keep pace with inflation and the cost of providing high-quality patient care" and that measures will not result in a net loss in funding for patients accessing care through general practice.

Measures relating to Division 3 – Participation in incentive payment programs

54 – Approval to participate in an incentive payment program on Secretary's or Chief Executive Medicare's own initiative

There is a need for greater clarity regarding the circumstances in which the Secretary or Chief Executive Medicare may approve, vary, or reject practice incentive payments on their own initiative. **The RACGP recommends Section 54 of the Bill be amended to provide clearer criteria or decision-making principles governing the exercise of these discretionary powers, or require supporting policy guidance, to improve transparency, accountability, and consistency in decision-making.**

In addition, while the proposed 28-day appeal period is consistent with standard administrative review timeframes, consideration should be given to whether this is sufficient in circumstances such as serious illness, caring responsibilities, or overseas travel for family or personal reasons, which may reasonably limit a person's ability to

lodge a review request within the prescribed period. **The RACGP recommends Section 54 of the legislation be amended to provide discretion to extend the review period where reasonable grounds exist.**

Measures relating to Division 4 – Compliance

60 – Banning orders

The RACGP supports measures aimed at preserving the integrity of Medicare and use of health resources by preventing wrongful and fraudulent claiming. The RACGP acknowledges that the proposed banning order provisions are broadly consistent with existing health program compliance and enforcement arrangements and support the integrity of incentive payment programs. The RACGP supports appropriate action in cases of fraud or deliberate non-compliance, while emphasising that these powers should be exercised proportionately, with procedural fairness, and in a manner that distinguishes deliberate misconduct from administrative error or inadvertent non-compliance.

The RACGP supports a proportionate approach to compliance. **The RACGP recommends implementation of the legislation should prioritise education measures, with health professionals given an opportunity to adapt or rectify their billing practices prior to being subject to compliance activities.** The Minister for Health, Disability and Ageing should report back to Parliament on compliance implementation measures within 6-12 months of legislation commencement to ensure this is actioned.

Measures relating to Division 6 – Miscellaneous

66 – Automation of incentive payment programs administrative action

There are inherent risks when human oversight of decisions is restricted or removed. The RACGP has previously expressed concerns regarding the use of artificial intelligence (AI) tools in Medicare compliance activities.

Similarly, the RACGP has significant concerns regarding the proposed use of automated decision-making for incentive payment programs. Decisions relating to eligibility, compliance and participation often involve complex clinical and operational circumstances that require professional judgement and cannot be adequately reduced to a set of automated rules. Eligibility determinations may involve nuanced clinical and practice-level considerations that automated processes are unlikely to fully capture, increasing the risk of inaccurate or unfair outcomes.

Where decisions may have financial or professional consequences for specialist general practitioners (GPs) or general practices, they should be made by appropriately qualified human decision-makers, with access to clinical advice where necessary.

The RACGP recommends that, at a minimum, Section 66 to Section 68 of the legislation should be amended to require that robust human oversight and review mechanisms are embedded in the compliance process to ensure decisions are accurate, fair and transparent.

68 – Oversight and safeguards for automation of incentive payment programs administrative action

While the proposed transparency requirements for automated administrative decision-making are a positive step, the RACGP retains broad concerns about the increasing reliance on automated systems to assess eligibility and undertake administrative actions across government programs, including health incentive payments. There is a risk that inaccurate AI-driven decisions could disproportionately burden general practices, particularly where compliance is assessed without adequate consideration of factors such as practice and patient demographics, leading to incorrect decisions and lengthy review or appeals processes.

Consistent with recent amendments to the *Privacy Act 1988* to introduce specific transparency obligations in relation to automated decision-making where decisions may significantly affect an individual's rights or interests, this legislation should ensure that compliance and program decisions relating to incentive payments are subject to meaningful human oversight, transparent decision-making criteria and appropriate review mechanisms.

The RACGP recommends consultation with peak bodies, such as the RACGP, as the use of AI continues to grow. For the Committee's reference, the RACGP's position statement on the use of AI in primary care includes broader principles around AI adoption and regulation.