Overall RACGP position and budget highlights

The RACGP is disappointed that the 2012-13 budget failed to address a number of key recommendations proposed in the College’s pre-budget submission 2012-13.

Whilst it is recognised that spending must be prioritised in the current economic climate, the College believes that the government has missed an opportunity to further strengthen general practice and primary healthcare throughout Australia. Overall, there is minimal new funding for GPs and general practices.

Key points of the Health and Ageing budget include:

- $3.7 billion over 5 years ($120.9 million for 2012-13) for aged care
- A reduction of $2.5 billion (~$102 million for 2012-13) for discontinuation of aged care funding and programs
- $233.7 million over 2 years ($33.4 million for 2012-13) for e-health, including $161 million over 2 years to support the implementation of personally controlled electronic health records (PCEHRs)
- $515.5 million over 4 years ($85.1 million for 2012-13) for alleviating dental health waiting lists, dental workforce, dental health promotion, and pro-bono dental services
- A reduction of $290 million over 3 years (-$94.3 million for 2012-13) for cessation of the Medicare Chronic Disease Dental Scheme
- $49.7 million ($0.4 million for 2012-13) for expansion of the national bowel cancer screening program
- $475 million over 6 years for 76 regional health infrastructure projects for hospitals and healthcare services
- $5.2 billion for closing the gap initiatives over 10 years.

Budget summary and analysis

The RACGP has provided further details regarding a number of issues relevant to general practice:

1. e-health
2. Practice Incentive Program
3. Telehealth
4. General Practice Rural Incentives Program
5. aged care funding
6. bowel cancer screening
7. regional infrastructure projects
8. dental health
9. Medicare Safety Net
10. Aboriginal and Torres Strait Islander health and closing the gap

1. e-health

The implementation of an effective e-health system is a long-term undertaking, requiring significant investment. The RACGP has been a strong advocate for the role of general practice in e-health and the roll-out of the PCEHRs.
The government has committed $233.7 million over 2 years to implement the national e-health program, which includes $161.6 million to ensure funding certainty for the roll-out of PCEHRs. Although the College supports funding for the roll out of the PCEHR, it is noted that the government had already previously committed to this initiative.

The government has also announced changes to the eHealth PIP, whereby general practices will now be required to participate in the PCEHR system to continue to receive the eHealth PIP of up to $50,000 per practice. The RACGP believes that it is not reasonable for practices to lose this incentive due to software conformant issues. It is also not reasonable or equitable for practices to invest in new clinical desktop systems that have PCEHR functionality if their current clinical desktop system does not meet the conformance and compliance required by the national e-health records system. Essentially, access to the eHealth PIP will be dependent on the software industry’s deployment and readiness for the implementation of the PCEHR.

The RACGP believes that a staged approach is preferable, and will work with government to ensure that the new requirements for eHealth PIP are workable for GPs and general practices, and that funding supports the associated costs at the coalface.

2. Practice Incentive Program

The government is aiming to reduce spending for the Practice Incentives Program (PIP) by $83.5 million ($1.1 million for 2012-13) over 4 years by:

- requiring that general practices participate in the PCEHR system to receive the e-health PIP incentive
- increasing targets for general practices to receive incentives for the PIP Cervical Screening Incentive from 65% to 70% of eligible patients
- increasing the targets for general practices to receive incentives for the PIP Diabetes Incentive from 40% to 50% of eligible patients with diabetes
- discontinuation of the GP Immunisation Incentives Scheme.

The College does not support the discontinuation of the GP Immunisation Incentives Scheme, and is disappointed with this announcement. The RACGP will be meeting with government to discuss funding options to support child health and immunisation in the near future.

Furthermore, whilst the RACGP supports initiatives aimed at improving quality care for patients, increases to targets appear to be a cost saving exercise, as opposed to an initiative aimed at improving quality. The College will be engaging with government to discuss this issue further.

3. Telehealth

The government announced a $183.9 million reduction over 4 years (-$3.1 million for 2012-13) in funding for telehealth services between GPs and other specialists. Funding cuts will be achieved by:

- introducing requirements that general practices must be at least 15km away from the specialist practice
- phasing out incentives payments, 12 months earlier than previously announced, for GPs to participate in a telehealth consultation
- changes to the incentive payments, whereby incentives will be paid in two instalments (one third on the first claim, and two thirds on the tenth claim).

The RACGP accepts that it is reasonable for patients who are able to travel 15km, to see the specialist rather than conducting a video consultation. However, for patients who are not able to travel, including elderly patients with mobility issues (e.g. Parkinson’s, stroke, rheumatoid arthritis, and chronic obstructive airway disease), this change will limit access to specialist services for those most in need. The College will be meeting with government to discuss these issues, as patient access to these services should be at the discretion of the GP if clinically required.

Furthermore, whilst the College recognises that the incentive payments to participate in telehealth consultations were for a finite period, the funding cuts to telehealth are premature at this crucial stage.
of implementation, as telehealth consultations have not yet become a part of usual practice for the majority of GPs.

The RACGP believes that it is both short sighted and unrealistic to phase out the telehealth incentive earlier than planned, as uptake has been confounded due to both interoperability difficulties between GPs and other specialists, and the lack of a provider directory.

4. General Practice Rural Incentives Program

The 2012-13 Health budget extends the General Practice Rural Incentives Program (GPRIP) to $34.9 million.

This program was established in 2010 titled *Rural Health Workforce Strategy* and provides relocation and retention incentive payments for medical practitioners to live and work in regional, rural and remote Australia.

While the RACGP welcomes any increased funding to rural health workforce initiatives and in particular the extended funding of this program, there still remain a number issues related to the ASGC-RA system that the GPRIP funds are tied to, in particular for those cities, regional centres, and towns that all fall within the RA-2 area.

5. Aged care funding

As previously announced, the government has committed $3.7 billion over 5 years ($120.9 million for 2012-13) for aged care related services. However, the government has also reduced and re-directed $2.5 billion (-$102 million for 2012-13) from other aged care programs. In real terms, the government has increased funding for aged care services by $576.9 million over 5 years ($55.2 million for 2012-13).

Key initiatives include:
- $955.4 million over 5 years ($2.9 million for 2012-13) to help older people stay at home for longer
- $54.8 million over 5 years ($7.3 million for 2012-13) to support carers
- $660.3 million over 5 years ($22.6 million for 2012-13) for residential aged care
- $1.2 billion over 5 years ($1.8 million for 2012-13) to address workforce pressures
- $39.8 million over 5 years ($1.1 million for 2012-13) for consumer support and research
- $80.2 million over 5 years ($8.8 million for 2012-13) for better health care connections
- $268.4 million over 5 years ($15.5 million for 2012-13) for older Australians with dementia
- $192 million over 5 years ($8.3 million for 2012-13) for older Australians from diverse background
- $256.4 million over 5 years ($52.6 million for 2012-13) for the establishment of an aged care reform implementation council, a financing authority, an aged care gateway, and improved transparency.

The College welcomes the additional funding in aged care, and congratulates the government on its 'whole of system' approach to aged care.

However, the funding package fails to adequately support the role of GPs in aged care, including:
- non-face-to-face time spent caring for patients in aged care facilities
- funding to better support GPs in delivering community based aged care
- encouraging older Australians to nominate a ‘medical home’ through voluntary enrolment with a general practice, which will assist in reducing avoidable hospital admissions, and improve patient outcomes.
6. National bowel cancer screening

As expected, the government has announced $49.7 million over 4 years ($0.4 million for 2012-13) for the expansion of the National Bowel Screening Program to extend screening to Australians turning 60 from 2013, and Australians turning 70 from 2015.

The program will be further extended in 2017-18 through a phased implementation of biennial screening, beginning with 72 year olds.

While the RACGP welcomes the extension of the program, it is disappointing that the program will not be fully implemented until 2017-18.

7. Regional infrastructure projects

The government will provide $475.0 million over 6 years for the delivery of 76 projects through the Health and Hospitals Fund (HHF) Regional Priority Round. This builds on the $1.3 billion allocated to 63 regional health projects in last year’s Budget, and brings total HHF investments in improving health facilities to $5 billion.

This Regional Priority Round provides funding for hospital redevelopment, e-health support, mental health services, professional training, and Aboriginal and Torres Strait Islander health services. This includes:
- redevelopment and continuation of hospitals and multipurpose services in regional centres, in Broken Hill, Bundaberg, Griffith, Hillston, Kempsey, Lismore, Peak Hill, and Warracknabeal among others
- new and upgraded facilities to support additional dental services for patients in areas such as Cranbrook, Murray Bridge, Narrogin, the Pilbara and Kimberley regions, and Yamba
- additional funding for The Royal Flying Doctor Service to build an aircraft hangar and patient transfer facility, mobile oral health facilities, and staff accommodation
- increased training posts for doctors, nurses and other health professionals in areas including Broken Hill, Ulverstone, and Katherine.
- new/improved accommodation for students and health professionals, including locums, in locations such as Ballarat, South Gippsland, Halls Creek, Mt Isa, Thursday Island, Charleville, and Bairnsdale.

The RACGP welcomes any investment in rural health infrastructure, especially given that GPs are also responsible for the provision of medical services at the local hospital in many rural and remote communities. However, like last year’s budget, there remains a lack of rural general practice and primary care specific funding, which is disappointing given the central role that general practice plays in the health outcomes of the community.

8. Dental health and the Medicare Chronic Disease Dental Scheme

Despite the announcement of an additional $515.3 million for dental health services, the discontinuation of the Medicare Chronic Disease Dental Scheme has effectively reduced overall funding for dental health by $9.3 million for 2012-13. Overall, discontinuation of the Chronic Disease Dental Scheme has reduced increased spending on dental health services from the announced $515.3 million to $225.3 million over 4 years.

The government has announced:
- $345.9 million ($70 million for 2012-13) for alleviating pressure on public dental waiting lists
- $158.6 million ($14.4 million for 2012-13) for increasing the capacity of the dental workforce
- $10.5 million ($0.5 million for 2012-13) for oral health promotion activities
- $0.5 million ($0.2 million for 2012-13) to support the delivery of pro bono dental services.

The RACGP welcomes investment into dental health services, but is concerned that this package has been implemented at the expense of the Chronic Disease Dental Scheme.
9. Medicare safety net

The government has extended the Extended Medicare Safety Net (EMSN) capping rules to encompass a wider range of procedural items, and is introducing an upper limit on the amount of EMSN benefits payable for all consultation items. Changes to the safety net are expected to reduce funding by $96.5 million over 4 years (-$8.7 million for 2012-13).

Consultation items, and a range of procedural items, will be capped where there has been:
- significant fee increases
- growth in the number of EMSN benefits paid in recent years
- use of the EMSN to subsidise items that could be used for cosmetic purposes
- a risk that practitioners may shift excessive fees onto other items such as consultation items.

The RACGP believes that this decision has the potential to negatively impact service provision of healthcare to socio-economically disadvantaged members of the community. The RACGP will meet with government to clarify their intentions, and ensure that patients are not denied access to any necessary health care.

10. Aboriginal and Torres Strait Islander health and closing the gap

The Australian Government has committed $5.2 billion in funding for Aboriginal and Torres Strait Islander health services, education, employment, community development, and community safety.

Health service expenditure includes:
- $713.5 million over 10 years for better primary health care, and better access to allied health services
- $475 million for new and extended regional and remote health care facilities, this includes $48.6 million for 10 projects in regional and remote Indigenous communities.
- $30.6 million over four years to deliver an extra 200 aged care places for older Aboriginal and Torres Strait Islander people who have high care needs.
- $85.5 million over four years to assist with the higher costs of delivering aged care services in regional and remote Australia, including support for services to Indigenous Australians and older people who are homeless or at risk of homelessness.
- $1.1 million over four years to provide around 6,000 Aboriginal and Torres Strait Islander children each year access to an additional dose of the pneumococcal conjugate vaccine preventing pneumococcal disease (Prevenar 13) under the National Immunisation Program.
- $694.9 million over 10 years to improve the safety of communities and help them tackle alcohol abuse.

As part of the government's Stronger Futures in the Northern Territory package the government will provide $254.4 million over four years ($58.5 million for 2012-13) to Indigenous Australians in the Northern Territory for:
- continued delivery of primary health care services
- specialist and allied health services for conditions of very high disease burden affecting oral health, hearing, social, and emotional wellbeing among other things
- skilled medical practitioners through the Remote Area Health Corps to meet workforce shortages in remote locations
- establishment of regional health boards with strong local leadership and support.

The RACGP welcomes the headline figure contributing $5.2 billion dollars for programs in Aboriginal and Torres Strait Islander health and other key programs, including a number of local initiatives which will help people in those communities.

However, the College notes that:
- $3.4 billion has been committed to Stronger Futures in the Northern Territory, which has received significant opposition from Aboriginal communities
- there are communities that continue to miss out on funding
- funding for Aboriginal and Torres Strait Islander literacy programs appears to have been cut back to contribute to ‘Stronger Futures’
- the total figure includes funding for the new SBS Indigenous TV channel and a small sum for digitally preserving Australian Institute of Aboriginal and Torres Strait Islander collections
- $75.4 million over 4 years ($18.9 million for 2012-13) has been "redirected" from indigenous health infrastructure into the Aboriginal and Torres Strait Islander Health program and the HHF. Overall, this appears to be a reduction in funding.

11. Medicare benefits – new and revised listings

The Government will amend the Medicare Benefits Schedule and Veterans' Benefits for new and revised listings, cutting Medicare costs by $43.9 million over five years (-$4.4 million for 2012-13). The amendments to the Medicare Benefits Schedule will include the:

- removal of subsidies for Hyperbaric Oxygen Therapy for the treatment of non-diabetic chronic wounds, as a result of a recommendation from the Medical Services Advisory Committee
- addition of new diagnostic audiology items to allow qualified audiologists to perform particular services, on referral from a specialist
- addition of new items for gene testing, to determine whether cancer patients will respond to treatments, and
- tightening of the provisions for Medicare funded diagnostic radiology services to ensure providers meet minimum qualifications.

The RACGP has clarified with the Government that GPs will not be affected by changes to Medicare funded radiology services, and are deemed to be ‘suitably trained’.

The College is keen to hear your thoughts on this year’s Budget. Send your comments to advocacy@racgp.org.au