

24 August 2020

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Dear Treasurer

### **RACGP 2020-21 pre-budget submission – update**

The Royal Australian College of General Practitioners (RACGP) is Australia's largest professional general practice organisation, representing more than 41,000 members working in or toward a career in general practice.

Each year, specialist general practitioners (GPs) and their practice teams provide care to almost 90% of Australians.<sup>i</sup> Despite being the most accessed form of healthcare, general practice represents less than 13% of federal government health expenditure.<sup>ii</sup>

In December 2019, the RACGP released its [2020-21 federal pre-budget submission](#). The submission recommended that the federal government commit funds to:

1. supporting the implementation of the RACGP's [Vision for general practice and a sustainable healthcare system](#)
2. conducting targeted research into how better use of general practice services can reduce emergency department presentations, hospital admissions and overall health expenditure
3. addressing disparities in remuneration and benefits between doctors in hospital-based training programs and GP registrars, to ensure the sustainability of the future GP workforce
4. fully funding the implementation of the National Rural Generalist Pathway.

These areas of investment remain a priority for the RACGP and its members.

Given the policy and funding decisions which have taken place in the context of the COVID-19 pandemic, the RACGP wishes to raise further matters for urgent consideration (provided in Appendix 1 below) and makes the following additional recommendations.

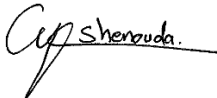
Issue	Recommendation
1. The delayed introduction of voluntary patient enrolment (VPE).	<p><b>Recommendation one:</b></p> <p>The Department of Health ensure that the much needed funding set aside for VPE is retained and invested back into general practice patient services in a timely manner, to support continuity and coordination of care.</p>

Issue	Recommendation
2. Ongoing telehealth funding is required in addition to VPE.	<p><b>Recommendation two:</b></p> <p>Medicare funding to support telehealth in general practice should continue to be available beyond 30 September 2020, and the mandated bulk billing of telehealth services by GPs be removed.</p>
3. Supporting patient access to GPs	
3.1 Patients avoiding visits for usual healthcare due to COVID fears	<p><b>Recommendations three and four:</b></p> <p>VPE funding should be introduced for all patients (regardless of age) with chronic and complex healthcare needs.</p> <p>Patients with chronic and complex conditions must be supported through <a href="#">investment in longer consultations</a> (level C and D MBS items) to enable the ongoing delivery of complex care.</p>
3.2 Mental health impacts of COVID-19	<p><b>Recommendation five:</b></p> <p><a href="#">Additional GP mental health MBS items</a> for longer consultations should be introduced to support patient access to mental health services.</p>
3.3 Financial impacts of COVID-19 on general practices	<p><b>Recommendation six and seven:</b></p> <p>The fall in turnover threshold for the JobKeeper payment should be lowered from 30% to 15% for general practices.</p> <p>Refer to the RACGP's <a href="#">2020-21 federal pre-budget submission</a> recommendations regarding support for the implementation of the <a href="#">RACGP's Vision for general practice and a sustainable healthcare system</a>.</p>
3.4 Securing the future GP workforce	<p>Refer to the RACGP's <a href="#">2020-21 federal pre-budget submission</a> recommendations 3 and 4 regarding addressing disparities in remuneration and benefits between hospital-based doctors and GP registrars; and fully funding the implementation of the National Rural Generalist Pathway.</p>

The RACGP is committed to working with the federal government to improve access to high-quality care, and to meet the needs of our local communities. We would welcome the opportunity to further collaborate with you and your department on the supports required to strengthen our sustainable and efficient primary healthcare system.

If you would like to arrange a meeting to discuss the recommendations made in our federal 2020-21 pre-budget submission, please contact Ms Michelle Gonsalvez, National Manager, Policy and Advocacy (03) 8699 0490 or via [michelle.gonsalvez@racgp.org.au](mailto:michelle.gonsalvez@racgp.org.au).

Yours sincerely



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## Appendix 1

Given the policy and funding decisions which have taken place in the context of the COVID-19 pandemic, the RACGP wishes to raise the below matters for urgent consideration, in addition to the matters outlined in our [2020-21 federal pre-budget submission](#).

### 1. The delayed introduction of voluntary patient enrolment

The 2019–20 federal budget included \$448.5 million over three years to implement a voluntary patient enrolment (VPE) model for patients over the age of 70. An additional \$7.2 million was later announced to extend the program to include Aboriginal and Torres Strait Islander people aged 50 years and over.

The VPE program was scheduled to commence on 1 July 2020.

The RACGP welcomed this investment as a long-anticipated and much sought-after funding boost for general practice. It was seen as the first step toward better supporting GPs and practice teams to manage chronic disease and mental illness in particular patient cohorts. The program was designed to help GPs and practices to build and maintain ongoing relationships with patients and enhance continuity of care.

The RACGP and our GP members were therefore disappointed when implementation of the program was deferred by the Department of Health.

Recommendation one:

- The Department of Health ensure that the much needed funding set aside for VPE is retained and invested back into general practice patient services in a timely manner, to support continuity and coordination of care.

## 2. Ongoing telehealth funding is required in addition to VPE

The introduction of temporary COVID-19 Medicare Benefits Schedule (MBS) telehealth items to support telephone and video consultations in general practice was a critically important investment, which must be continued post-September 2020. Prior to the introduction of these items in March 2020, the MBS only supported access to general practice care delivered via telehealth in very limited circumstances.

In response to concerns raised that on-demand telehealth services were capitalising on this funding boost at the expense of high-quality care, the government introduced measures to support the relationship of the patient with their usual provider or practice. The RACGP notes that while these changes encourage continuity of care in general practice, they should not be conflated with the VPE initiative. Telehealth on its own does not effectively support general practice to coordinate patient care and fulfil population health screening activities, as was intended through the VPE program.

We also have significant concerns with the disparity in bulk billing requirements between GPs and other health professionals. From 20 April 2020, other medical specialists and allied health professionals were permitted to privately bill all COVID-19 telehealth consultations, but this reform in policy was not extended to specialist GPs.

This decision is inequitable and detrimental to the long term viability of general practices. During these challenging times, GPs should be trusted to apply their usual billing practices and exercise discretion where necessary to support patient access.

Recommendation two:

- Medicare funding to support telehealth in general practice should continue to be available beyond 30 September 2020, and the mandated bulk billing of telehealth services by GPs should be removed.

## 3. Supporting patient access to GPs – Now more than ever, patients need their GPs

### 3.1 Patients avoiding visits for usual healthcare due to COVID fears

It is not yet known what impacts COVID-19, or the temporary decrease in patients presenting for usual care, will have on the overall health of the population in the medium to long-term.

The COVID-19 pandemic (and COVID-19 itself) has created a significant cohort of patients who will be medically at risk in the future, and will need their GP to monitor their wellbeing and help them navigate the healthcare system.

More than one in two patients surveyed by the Continuity of Care Collaboration reported they had delayed or avoided a medical appointment in the three months to May 2020, with many citing the reason as fear of contracting COVID-19, or concerns they may be breaking lockdown rules. <sup>iii</sup>

This reluctance is reflected in Medicare data. Claims for GP health assessments in April fell by 46% from the previous month, and by 43% compared to the same period in 2019. Minor procedure items

fell by 29% from the previous month, and by 25% compared to the same period in 2019. GP chronic disease management items (provided both face-to-face and via telehealth) claimed in April 2020 fell by 15% from the previous month, and by 4% from the same period in 2019.<sup>iv</sup>

While Medicare claims began to normalise once restrictions across the country were relaxed in May and June, it remains to be seen what effect new outbreaks, particularly in Victoria, will have on patient behaviour.

It is more important than ever that GPs are able to provide continuity of care for patients with chronic diseases to avoid increased hospital presentations and admissions.

Cardiac disease, diabetes and chronic respiratory conditions are the most common comorbid conditions among hospitalised COVID-19 cases.<sup>v</sup> Of all COVID-19 cases, 29% reported one or more comorbid conditions. Having one or more comorbid conditions was found to be significantly associated with increased risk of hospitalisation and death among COVID-19 cases aged 50 and over.<sup>vi</sup>

Recommendations three and four:

- VPE funding should be introduced for all patients (regardless of age) with chronic and complex healthcare needs.
- Patients with chronic and complex conditions must be supported through [investment in longer consultations](#) (level C and D MBS items) to enable the ongoing delivery of complex care.

### 3.2 Mental health impacts of COVID-19

GPs will need to respond to a predictable increase in mental health issues, domestic violence and poverty as a result of the COVID-19 pandemic.

Modelling suggests that Australia could see a 13.7% increase in suicide deaths over the next five years due to high rates of unemployment and reduced community connectedness resulting from the pandemic. The modelling also highlights the likelihood of increased mental health-related ED presentations and self-harm hospitalisations during that time period.<sup>vii</sup>

Doubling the current growth rate in the capacity of community mental health services is forecast to prevent 15,955 mental health-related ED presentations, 1,127 self-harm hospitalisations, and 136 suicide deaths over the period 2020-2025.<sup>vii</sup>

It is vitally important that GPs and Aboriginal Community Controlled Health Services (ACCHSs) are adequately resourced to continue to provide timely, accessible and culturally appropriate mental health services. Primary healthcare teams are, and always will be, the most appropriate first point of contact to diagnose and treat symptoms early. They provide expert mental healthcare, and GP-led teams help patients manage any coexisting physical health problems.

Recommendation five:

- [Additional GP mental health MBS items](#) for longer consultations should be introduced to support patient access to mental health services.

### 3.3 Financial impacts of COVID-19 on general practices

It is estimated that general practice profit margins have decreased by 7.3% over the past five years.<sup>viii</sup>

GPs and their teams have been confronted by job insecurity at a time when the Australian community is relying heavily on them to both manage the health consequences of the pandemic, and support ongoing management of chronic conditions.

In an RACGP poll of 980 GPs, 85% of respondents indicated they had seen a decrease in revenue compared to the same time period in 2019. Of these, two in five GPs (43%) saw a decrease of between 10% and 30%, and one in three GPs (32%) saw a decrease of more than 30%.<sup>ix</sup>

Fifty per cent of GPs report that the removal of mandated bulk billing of MBS telehealth items would improve the viability and sustainability of their practice.<sup>ix</sup>

The financial viability of practices is under threat because GPs are unable to charge a co-payment for a large percentage of patient telehealth consultations. The financial viability of many practices across Australia had already been impacted as a result of Australia's recent devastating bushfire season.

These are practices that stepped up to assist their communities in a time of severe adversity. It is important these practice are able to continue to support their communities in the months and years ahead, as the bushfire recovery process continues.

Many practices have reported they are not eligible for the JobKeeper payment as some have not experienced a 30% reduction in turnover. Eligibility for JobKeeper does not align with the nature of general practice, as working hours and clinical commitments of GPs can change frequently.

The focus on turnover hides the impact of COVID-19 on new practices or practices that have recently expanded their business models.

It does not take into account the fact many practices have had to greatly increase expenditure (eg on administrative staff, personal protective equipment, telehealth systems, internet connection improvements) to manage the increased demands imposed by COVID-19.

Furthermore, many practices, as small businesses, are subject to the vagaries of cash flow. The JobKeeper payment requires a business to pay the full amount to staff before reimbursement by the Australian Taxation Office. This may not be possible for smaller practices with limited cash flow.

#### Recommendations six and seven:

- The fall in turnover threshold for the JobKeeper payment should be lowered from 30% to 15% for general practices.
- Refer to the RACGP's [2020-21 federal pre-budget submission](#) recommendations regarding support for the implementation of the [RACGP's Vision for general practice and a sustainable healthcare system](#).

### 3.4 Securing the future GP workforce

As discussed in the RACGP's [2020-21 federal pre-budget submission](#), medical graduates are increasingly choosing to pursue their careers in non-GP specialties.

The financial losses suffered by general practices during the pandemic will further negatively affect the future desirability of general practice as a career option. It will become more difficult to convince young doctors to pursue a career in general practice if the profession continues to be undervalued in comparison to other medical specialties.

General practices must be financially viable in order to invest the time needed to supervise and employ GPs in training, now and into the future.

Trainees already in the program are suffering in terms of workflow, income and educational opportunities as a result of the COVID-19 pandemic, and require support to continue to progress toward Fellowship.

Recommendation eight:

- Refer to the RACGP's [2020-21 federal pre-budget submission](#) recommendations 3 and 4 regarding addressing disparities in remuneration and benefits between hospital-based doctors and GP registrars; and fully funding the implementation of the National Rural Generalist Pathway.

#### 4. References

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- <sup>i</sup> Department of Health. Annual Medicare statistics – Financial year 1984–85 to 2018–19. Canberra: DoH, 2019.
  - <sup>ii</sup> Australian Institute of Health and Welfare. Health expenditure Australia 2017-18. Health and welfare expenditure series no. 65. Cat. No. HWE 77. Canberra: AIHW, 2019.
  - <sup>iii</sup> Continuity of Care Collaboration Consumer Survey: access to healthcare during COVID-19. Survey compiled by the London Agency 5 May – 2 June 2020.
  - <sup>iv</sup> Services Australia MBS Item Statistics Reports
  - <sup>v</sup> Department of Health. COVID-19, Australia: Epidemiology Report 17: Fortnightly reporting period ending 24 May 2020. COVID-19 National Incident Room Surveillance Team Published online: 5/06/2020
  - <sup>vi</sup> Covid-19: risk factors for severe disease and death, *BMJ* 2020;368:m1198
  - <sup>vii</sup> Atkinson, J-A., Skinner, A., et al. Road to Recovery: Restoring Australia's Mental Wealth, University of Sydney Brain and Mind Centre, 27 July 2020.
  - <sup>viii</sup> IBIS World, General Practice Medical Services in Australia industry trends (2015-2020), Melbourne, 2020.
  - <sup>ix</sup> RACGP Poll on telehealth. May 2020