

Media Release

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AGPA Calls for Medicare Independent Pricing Authority

The Australian General Practice Alliance (AGPA) today called for a major overhaul of Medicare including the establishment of an independent pricing authority to set the levels of Medicare rebates.

“Medicare is no longer fit for purpose with successive Labor and Coalition Governments starving funding to the point where primary healthcare for Australians is seriously jeopardized” said Dr Mukesh Haikerwal, Deputy Chair of the AGPA when commenting on the landmark RACGP *Health of the Nation 2024* Report.

“With over 7000 General Practices in Australia, over 75% of them report that their major concerns are rising business costs, declining business profitability and sourcing and retaining GPs. All of these are directly related to underfunding of Medicare commencing with the Labor and Coalition freezes on rebate increases under the Gillard / Rudd/ Abbot and Turnbull Governments, and below medical inflation increases to an already depleted rebate under the Morrison and current Albanese Governments” he said.

“Practices are generally small privately owned businesses and their viability is a critical part of our entire healthcare system, providing the essential support services where Australians can see a GP, nurses and other health professionals. The proportion of patients delaying or not accessing healthcare has doubled as rising costs and underfunding of rebates have forced GPs into private billing. This raises the red-flag of worse outcomes as early diagnosis and treatment brings better results for patients”

“When Medicare was first introduced the promise was access to affordable universal health care and the rebate was 85% of the “schedule fee” which was close to the actual cost of providing services. The “schedule fee” has been eroded in value and the rebate for Australian Citizens towards their health care costs has been gutted and is now closer to 45%. The costs of providing services sees over 35% of GPs forced to charge over \$90

for a consultation. One third of GPs are planning to cease practicing in the next five years, many are reducing hours available and the specialty is not attracting enough graduates to replace them”.

“All of these factors indicate the disaster facing Australians being able to access the excellent GP-led care they are used to and deserve – amongst the best performing health systems in the world. Using other workers to perform single tasks fragments care and near enough is not good enough for our health. Today’s holistic care takes intense life-long learning and skill” Dr Haikerwal said.

“While there are also other factors such as the compliance and regulatory burden, the single factor having the greatest impact is inadequate funding”.

“Successive governments have shown that they cannot be trusted with funding the primary healthcare of Australians. There needs to be an innovative approach, with ambition to improve the system, consistency and long-term systemic thinking. It is now time to commence major reforms – starting with an independent pricing authority to set appropriate levels for the Medicare rebate”, Dr Haikerwal said.

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The Australian GP Alliance (AGPA) represents the interests of GP Practice Owners, addressing issues faced by Principal-led General Practices.

The Australian model of GP owned private general practice has been responsible for our international reputation as an efficient and highly effective primary health care service.

The continuation of high quality primary healthcare in Australia is dependent on the continued viability of the Practices that provide the leadership and infrastructure that allows GPs to practice, and patients to access the healthcare system.