I respectfully submit this document for the consideration of the Standing Committee on the closure of the Wanniassa Medical Centre of the ACT Legislative Assembly.

I am sure that the members of the Standing Committee have heard many stories from the residents of Wanniassa and surrounding areas who were long-term patients of the Wanniassa Medical Centre and the effect its closure will have on their lives and their health. I also suspect that much has been said about the undesirable behaviour of some medical corporates. In my submission, I will focus on the underlying economic drivers behind that behaviour and offer some suggestions as to what can be done about it.

Medical corporates such as Primary Health Care that own the Phillip Health Centre are big business. Primary Health Care owns general practice medical centres, specialist clinics and a pathology laboratory and service. They also own radiology services, pharmacies and allied health services, many co-located with their medical centres. Primary Health Care is listed on the stock exchange. As such, they are under the same pressures as all publicly listed companies are to constantly improve their profit margin to maintain and improve their share price on behalf of their shareholders.

A lot of the medical services that corporates like Primary Health Care offer all of its general practice consultations, are bulk-billed. They are therefore completely almost completely reliant on Medicare rebates for their income. I want to explain how the corporates take advantage of the Medicate rebate system to maximize their income.

The most commonly claimed Medicare item number by GPs is Item 23 for a Level B consultation which is a consultation lasting more than 5 minutes and less than 20 minutes. Currently, a doctor is reimbursed $32.80 by Medicare for a Level B consultation. The GP can claim another $8.20 from Medicare if the patient is bulk-billed and has a Health Care Card. So, if a patient sees a doctor for a cough and cold and is found to have a simple respiratory viral infection for which the prescription is rest and a medical certificate for a few days off work and the consultation lasts 6 minutes, the doctor gets $32.80 from Medicare. If a patient comes in for a checkup for her diabetes or to discuss the complications of her latest antidepressant medication and the consultation takes 20 minutes, the GP still gets $32.80 from Medicare.

If a patient spends between 20 and 40 minutes with a patient, it is a Level C consultation and for this, Medicare reimburses $62.30. What this means is that if a GP spent 6 minutes with a patient and was reimbursed $32.80, the GP gets paid at a rate of $5.47 per minute. If the GP spent 20 minutes with a patient and was also paid $32.80, the GP is paid $1.64 per minute. If the GP spent 21 minutes with the patient and is reimbursed $62.30 by Medicare, the GP gets $2.97 per minute. With Level D consultations which are consultations taking more than 40 minutes for which Medicare reimburses $91.70, then a consultation lasting 41 minutes will pay a GP at a rate of $2.23 per minute. What the Medicare system does is to reimburse GPs a lower rate the longer the consultation.

So, for a corporate to maximise income for itself and the GPs working there, it needs to encourage as many 6 minute consultations as possible. This is precisely what the

structure of these corporate medical centres encourages. This is why GPs are encouraged to tell patients that they have to make another appointment to come back if they bring up more than one problem per consultation. This is why patients have to come back to see a doctor to get their pathology results, particularly as Medicare would not reimburse the practice nurse for telling a patient that his/her pathology test results were all normal. This is why some corporates don't take appointments and make their patients queue to be seen and why choosing a specific doctor makes the queue even longer. Corporates have to encourage patients with chronic and complex problems to seek their healthcare for these chronic conditions elsewhere since these are the patients who need to have long consultations for proper management of their conditions.

What then happens to patients with chronic and complex problems which cannot be dealt with in a 6 minute consultation? The consultation policies of the corporates push these patients to seek their healthcare elsewhere- to medical practices which ***are*** prepared to provide the long consultations necessary for proper management of their conditions. As a result, as more GPs are seduced into working for corporates, the non-corporatised GPs are left with an increasing caseload of patients with chronic and complex problems with the "easy" coughs and colds that used to leaven their day taken away. At some point, the burden of work and responsibility gets too much to bear and many non-corporatised GPs just give in and leave medicine or join the corporates. Who will then care for the chronic and complex ill patient?

I realize that the issue of reform of the Medicare Benefits Schedule is a matter under the jurisdiction of the Federal Department of Health and Aging. I wanted to bring to the attention of the Standing Committee the fact that the National Health and Hospitals Reform Commission which was established to develop a long-term health reform plan for a modern Australia is currently receiving submissions. Although it has already held its hearings in Canberra, I'm sure it would be possible for this Standing Committee to make a submission to it addressing issues that the debate about the closure of the Wanniassa Medical Centre has brought up, issues that have to be addressed at a Federal level.

I thank the Standing Committee on the closure of the Wanniassa Medical Centre for its work on this issue. I hope that the work of this Standing Committee could result in changes that will benefit the people of Canberra.