SENATOR THE HON KAY PATTERSON
Minister for Health and Ageing

I am pleased to provide you with information about ***A Fairer Medicare – Better Access, More Affordable,*** a package of measures that the Prime Minister and I have announced.

The package contains:

- Our media release;
- Information about the package and about the individual elements of it;
- A summary of costs; and
- Answers to general questions in relation to the package.

A Fairer Medicare – Better Access, More Affordable is an integrated package costing $917 million over four years that will make Medicare stronger and fairer. The package maintains universal coverage for all patients through the Medicare rebate scheme. Bulk billing will remain available for everyone. However, for the first time, we will be strengthening the availability of bulk billing for Commonwealth concession card holders, particularly for people in outer metropolitan and rural areas.

An important element of the package is a long-term investment to an increased medical workforce. The package will deliver **better access** through a series of measures that will increase the size and availability of the medical workforce.

The package will make a range of medical services **more affordable**, particularly those that are delivered through general practice.

Through this integrated package of measures we have made Medicare stronger and fairer.

Yours sincerely,

Kay Patterson

Senator Kay Patterson

28 April 2003

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A FAIRER MEDICARE

Better Access, More Affordable

The Government will spend a total $916.7 million on:

❑ MAKING MEDICAL SERVICES MORE AFFORDABLE

☐ Improving access to general practice — $381.5m

- General Practice Access Scheme - $346.2 m.
  Financial and other incentives for GPs to provide medical care at no cost to patients covered by a Commonwealth concession card.

- Reduced up-front costs to all patients at participating practices, and new direct claiming arrangements - $11m
  Less up-front cost for GP visits through direct claiming of the Medical Benefits Schedule (MBS) rebate by GPs: patients to have no more to do, no more to pay.

- Business benefits for general practice - $24.3 m.
  Encouraging uptake of HIC Online, including a reduction in lag times for paying doctors from 8 days to 2 days, support for 'broadband connectivity' focussed on rural and remote GPs, practice badging and management.

☐ Protecting people with high health care needs — $156.7m

- Extending the Medical Benefits Schedule safety net - $67.1m.
  Designed to meet 80% of concessional patients' out-of-pocket costs for all out-of-hospital MBS services over a $500 threshold in a calendar year.

- Adding to the health insurance safety net - $89.6 m.
  A new private health insurance product to cover the out-of-pocket costs for out-of-hospital MBS services above $1000 per year. Preliminary indications are that the cost of this new product, which can be made available independently of other private health insurance products, would be less than $1 per week for families.

☐ Extra payment for doctors providing services for veterans through Local Medical Officer arrangements — $61.7 m

❑ PROVIDING BETTER ACCESS TO MEDICAL SERVICES

☐ Long-term investment in more doctors and nurses — $295.8m

- More medical school places for doctors - $42.1m.
- Increase in the annual intake of GP training places for GP Registrars - $189.5m.
- More nurses in general practice in areas of workforce shortage - $64.2m.

☐ Information for the public and medical professionals — $21.1 m

*The figures have been rounded and include the costs of administering the package

For more information: www.health.gov.au/fairermedicare
1800 011 163 between 8am and 8pm AEST

A FAIRER MEDICARE

Better Access, More Affordable

Overview

A Fairer Medicare is an integrated set of measures which builds on the Government's commitment to the universality of Medicare.

A Fairer Medicare will make a range of medical services more affordable, particularly those delivered through general practice.

A Fairer Medicare will deliver better access through a series of measures which will increase the size of the medical workforce, particularly in outer metropolitan and rural areas.

The three pillars of universal Medicare available to all Australians are the Medicare rebate, together with access to free treatment in public hospitals and subsidies for pharmaceuticals through the Pharmaceutical Benefits Scheme. *A Fairer Medicare* maintains universal coverage for all patients through the Medicare Rebate. It provides financial incentives for doctors to bulk bill families in greatest need. There is no means test. As is the case now, doctors will be free to bulk bill any patient, regardless of whether they hold a Commonwealth concession card.

More Affordable

A *Fairer Medicare* brings new and very significant financial protection to patients with a Commonwealth concession card and their families:

- The package provides financial and other incentives for General Practices to provide medical care at no cost to patients covered by a Commonwealth concession card;
- A new safety net will cover the costs of out-of-hospital Medicare services including, for the first time, costs above the schedule fee.

For people without a Commonwealth concession card, and where the GP chooses to charge a 'gap', there will be a significant reduction in the up-front cost of seeing a GP at a participating practice.

- As is the case now, doctors will remain in charge of their own billing practices. They can decide to provide care at no cost to any patient regardless of whether they hold a concession card.
- At the most, these patients will pay only the 'gap' charged by the GP. They will leave the surgery with no more to pay and no need to visit a Medicare office.

The Government will allow a new private health insurance product to be offered which extends insurance cover to include the out-of-pocket cost of Medicare funded out-of hospital services, once a threshold of $1000 per family is reached in a year. This will cover the cumulative cost of the 'gap' between the Medicare rebate and the doctor's fee for out-of-hospital services. Preliminary indications are that the cost of this new product, which can be made available independently of other private health insurance products, would be less than $1 per week for families. Access to this product will be supported by the Government's 30% Rebate on private health insurance available to all Australians.

Better Access

A significant long-term investment is being made to ensure our medical workforce is of a sufficient size and availability to meet the future needs of the population. A particular focus is on increasing the supply of the medical workforce to outer metropolitan and rural areas of workforce shortage.

A Fairer Medicare includes funding for 234 more medical school places each year, with students being required to work in areas of workforce shortage on completion of their training. An additional 150 training places each year for GP Registrars will address an emerging workforce shortage in this area. Funding is provided for up to 457 full time equivalent nurses to be employed in general practices, thus improving access to primary care services for people living in areas of workforce shortage by easing pressure on those GPs.

Summary of Measures

- From November 2003, the General Practice Access Scheme will guarantee that Commonwealth concession card holders attending participating general practices will receive consultations at no cost to the patient.
    - all practices, regardless of their location will be able to participate in the Scheme;
    - participating practices will receive a monthly incentive payment, linked to their number of concessional patient visits;
    - participating practices in rural and remote areas will receive a higher incentive payment.
- From January 2004, new protection will be in place for those Commonwealth concession card holders who face high cumulative out-of-hospital medical costs.
    - this safety net will meet 80% of concessional patients' out-of-pocket costs for all out-of-hospital Medicare services over a $500 threshold in a calendar year.
- From February 2004, up-front costs for non-concessional patients visiting participating general practices will be significantly reduced. Non-concessional patients attending participating practices will be charged only the difference between the Medicare rebate and the doctor's fee. Doctors will retain the option of providing no-cost medical care to any patient.
- For all patients of participating practices, Medicare will be much more convenient. With the patient's consent, the Medicare rebate will be paid directly to the GP by the Health Insurance Commission, avoiding the need for patients to claim the rebate from a Medicare office.
- From January 2004, private health insurers will be able to offer insurance coverage for the cost of out-of-hospital Medicare funded services over $1,000 in a calendar year. This includes costs above the schedule fee and delivery of general practice, specialist and diagnostic services. Preliminary indications are that the cost of this new product, which can

be made available independently of other private health insurance products, would be less that $1 per week for families.

- For general practitioners providing services to veterans through Local Medical Officer (LMO) arrangements there will be an extra payment above the schedule fee of $3 per patient visit.

- For all participating doctors there will be financial incentives, assistance to review current business practices and support for 'broadband connectivity' focussed on rural and remote communities.

- For all participating doctors, there will be business benefits through streamlined direct billing and rapid payment of rebate claims, down from 8 days to 2 days.

- A long-term investment is being made in the health workforce through the creation of an additional 234 new medical school places each year and 150 new GP Registrar positions each year. These places will come on line in the 2004 calendar year, and will result in a significant increase in the number of doctors, particularly in outer metropolitan and rural areas.

- From November 2003, funding will be provided to participating practices in areas of workforce shortage to employ up to 457 full-time equivalent nurses, benefiting around 800 general practices .

Commencement of this integrated package is dependent on legislation passing through the Parliament.

A FAIRER MEDICARE

Better Access, More Affordable

Fact Sheet 1: Addressing affordability for Commonwealth concession card holders

Purpose

- To provide a guarantee that people with a Commonwealth concession card can see their GP at no direct cost to them if they visit a participating practice.

Description

- From November 2003, the new General Practice Access Scheme will provide financial incentives to general practices which guarantee to provide medical care at no cost to patients covered by a Commonwealth concession card.

- There are around 7 million Australians covered by a Pensioner Concession Card, a Health Care Card, or Commonwealth Seniors' Health Care Card. These people will be eligible to receive free medical care from participating practices under the Scheme.

- For a full-time equivalent GP seeing an average number of patients with a concession card the value of the incentive each year will be around $3,500 in capital cities, $10,250 in non-metropolitan cities, $18,500 in rural centres and $22,050 in outer rural and remote areas.

- These payments translate into amounts per concessional service of $1.00 in capital cities, $2.95 in other metropolitan areas (eg. Geelong or Newcastle), $5.30 in rural centres (eg. Toowoomba, Cairns, or Broken Hill) and $6.30 in other rural and remote areas (eg. Coonabarabran, Crookwell, Mt Isa, Emerald, or Halls Creek).

- Practices seeing more Commonwealth concession card holders will receive higher incentive payments. For example, an inner-city practice with three full-time GPs and with a high proportion of concessional patients would receive up to $20,000 annually.

- The incentives under this Scheme have been carefully designed to ensure that most GPs participating in the Scheme will be financially better off. There will also be faster payment (with a reduction in payment lag times from 8 days to 2 days) and simpler billing arrangements.

- There will be no red tape – monthly incentive payments will be generated automatically from information held by the Health Insurance Commission (HIC).

Cost

- The cost of this initiative is $346.2m over four years.

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Fact Sheet 2: Protecting Commonwealth concession card holders from high cumulative out-of-pocket costs

Purpose

- To protect people covered by a Commonwealth concession card against high out-of-hospital Medicare costs that add up over time, which otherwise could become a barrier to accessing necessary medical care.

Description

- Legislation will be introduced to provide a new safety net to protect families with a Commonwealth concession card from the cumulative costs of out-of-hospital Medicare services.
- For the first time, this will include the entire gap between the Medicare rebate and the fee charged by the doctor, including any fees charged above the Medicare schedule fee.
- In any calendar year the Government will pay 80 cents in every $1 of out-of-pocket expenses over $500 spent by patients with a concession card on out-of-hospital Medicare services.
- An extensive range of Medicare funded services will be covered under this safety net, including those provided by GPs and specialists, and pathology and diagnostic imaging services, when performed out of hospital.
- Subject to passing of legislation, the new safety net will apply from 1 January 2004.

Cost

- The cost of this program will be $67.1m over four years.

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Fact Sheet 3: Reducing up-front costs for general practice patients

Purpose

- To reduce the up-front costs of visiting a participating general practice for people without a Commonwealth concession card.

Description

- General practices participating in the General Practice Access Scheme (agreeing not to charge a fee to patients with a Commonwealth concession card) will be able to offer additional benefits to their other patients.

- Patients without a concession card attending participating practices will only have to pay the gap between the Medicare rebate and what their doctor chooses to charge, if they choose to charge a gap.

- As is the case now, practices will be free to bulk bill any patient they choose. There will be no means test.

- Doctors will still decide how much they charge individual patients. However, seeing a doctor at participating practices which choose to charge a gap, will still be more affordable. At these practices, patients without a Commonwealth concession card will only have to pay the gap, rather than the full fee up front, then later claim the rebate from Medicare.

- Patients will leave the surgery with no more to do and no more to pay.

- With the patient's consent, the Medicare rebate previously collected by the patient from a Medicare office will be paid directly to the doctor through the electronic claiming system "HIC Online". These payments will be made to doctors faster, in 2 days instead of the current 8 days.

- Subject to passing of legislation, these changes will come into effect from 1 February 2004.

Cost

- This measure will cost $11.0m over four years.

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Fact Sheet 4: Protecting patients from high out-of-pocket costs through enhancements to private health insurance

Purpose

- To protect people from high cumulative out-of-hospital medical service gap payments by allowing private health insurance funds to cover these gaps.

Description

- Private health insurance funds will be able to offer insurance for expenses associated with out-of-hospital Medicare services.
- Through changes to legislation, private health insurance funds will be able to offer 100% cover for the total out-of-pocket costs of Medicare funded out-of-hospital services of more than $1000 in a calendar year.
- This new private health insurance product will be able to cover out-of-pocket expenses over $1000 per individual or family for an extensive range of Medicare funded services, including diagnostic tests such as x-rays, ultrasound, biopsies and radiation oncology services provided out of hospital.
- Out-of-hospital consultations with GPs, surgeons and other specialists will also be included. Expenses relating to surgery and other services provided in hospitals will continue to be covered by existing private health insurance policies.
- Preliminary indications are that the cost of this new product, which can be made available independently of other private health insurance products, would be less than $1 per week for families.
- The Federal government's 30% Rebate on private health insurance will apply.
- This will give people a new choice in private health insurance and peace of mind in knowing that $1000 a year is the most that they will ever need to pay for out-of-hospital Medicare services.
- This system will operate in tandem with the existing Medicare safety net arrangements and the new safety net for people with a Commonwealth concession card.
- Subject to passing of legislation, we expect this product will be available from 1 January 2004.

Cost

- This program will cost $89.6m over four years.

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Fact Sheet 5: Additional medical school places

Purpose

- To address emerging shortages in the medical workforce, particularly in outer metropolitan and rural areas.

Description

- An additional 234 publicly funded medical school places will be created each year from January 2004 - an increase of 16% in total places.

- This number of additional places to be created each year is consistent with advice from the Australian Medical Workforce Advisory Committee on workforce needs and will ensure that growth in the medical workforce meets the emerging needs of the community.

- All the new medical school places created through this measure will be "bonded" to areas of workforce shortage. Under this arrangement students taking these places will be required to work for a minimum of 6 years in an area of workforce shortage for their chosen speciality. This will be of particular benefit to outer metropolitan and rural areas.

- These places will be integrated with existing medical school places in such a way that total "bonded" medical school places (available under this measure and the existing Medical Rural Bonded Scholarship Scheme) are appropriately distributed across universities.

Cost

- This program will cost $42.1m over four years.

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Fact Sheet 6: Additional GP training places

Purpose

- To increase significantly the number of GP registrar training places to ensure an adequate general practice workforce.

Description

- From 2004 an additional 150 training places will be added each year to the GP training program - an increase of more than 30 per cent on current places.

- These training places will be targeted to areas of workforce shortage, particularly outer metropolitan and rural areas.

Cost

- The cost of this measure is $189.5m over four years.

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Fact Sheet 7: Additional nurses and allied health professionals in general practice

Purpose

- To enable general practices in urban areas of workforce shortage to employ a nurse to work in their practice, easing pressure on those general practices and improving access by patients to a range of medical services.

Description

- This program will enable up to 800 general practices to receive assistance in employing a nurse to work in their practice.
- The program extends eligibility of the current nurse initiative in general practice to urban areas of workforce shortage.
- Up to an additional 457 full time equivalent nurses will be funded, improving access to services for people living in these areas.
- To be eligible to receive assistance in employing a nurse in their practice, general practices will need to agree to provide services at no cost to patients covered by a concession card.
- This program also allows eligible general practices the option of employing allied health professionals (e.g. physiotherapists, podiatrists, aboriginal health workers), rather than nurses, where appropriate.

Cost

- The extension of this program will cost $64.2m over four years, bringing the total amount the Government has committed for nurses in general practice since 2001-2002 to $168.4m.

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Fact Sheet 8: Business benefits for general practice

Purpose

- To support general practice to realise the full value of an electronic link to the Health Insurance Commission (HIC) and to streamline their operations for the benefit of their practice and their patients.

Description

- The Government is introducing a number of measures to reduce paperwork and improve financial benefits for all general practices.

- HIC Online will be the electronic way of doing business with the HIC. This will reduce paperwork for practices and the need to re-key patient information.

- General practices will receive payment from the HIC quicker, with the direct billing payment lag reduced from 8 to 2 days.

- Incentives will be given to providers of GP software to incorporate HIC Online links in their software, thereby making access to HIC Online easier for GPs.

- For those practices agreeing to provide services at no cost to patients covered by a Commonwealth concession card, there will be additional benefits:

    - a practice payment of $750 in metropolitan areas and $1000 in rural and remote areas will be available to help with the purchase of equipment and set-up costs for HIC Online;

    - the capacity of practices, regardless of location, to realise the 'real time' benefits of HIC Online through 'broadband connectivity' will be supported through local strategies and infrastructure solutions focussed on rural and remote communities; and

    - assistance will be available to help improve current business practices.

Cost

- These measures will cost $24.3 million over four years.

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Fact Sheet 9: Veterans' health measures

Purpose

- To provide assurance that our veteran population will have access to quality health care through the introduction of a veteran access fee paid to Local Medical Officers (LMO) registered under the repatriation health system.

Description

- Additional funding will provide greater certainty to the more than 340,000 members of the veteran community who are entitled to a doctor's care at the Commonwealth's expense through their Gold or White Repatriation Health Cards.

- GPs registered under the scheme will be eligible for a veteran access fee of $3 paid for each consultation of eligible veteran or war widow patients, in addition to the 100 per cent of the Medicare Benefit Schedule fee currently paid for treatment of Gold Card and White Card patients.

- In recognition of the special needs of the veteran community, this fee will be payable to LMOs across the country, whether they treat veterans and war widows living in metropolitan or rural areas.

- In practical terms, nothing will change for eligible members of the veteran community – they will continue to access their doctor's services simply by presenting their Gold or White Card.

- However, this initiative means veterans and war widows can be assured of their access to quality health care without the need to pay out of their own pocket.

- This package maintains the Government's strong commitment to the provision of quality health care to the veteran community, while recognising the importance of LMOs as an integral part of the repatriation health system.

Cost

- This program will cost $61.7 million over four years

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Better Access, More Affordable

QUESTIONS & ANSWERS

CONTENTS

Overview Questions

• What is the purpose of 'A Fairer Medicare' package?

This package is an integrated set of measures which will improve access to Medicare services and make services, provided through general practice in particular, more affordable. The package makes a long-term investment in increasing the supply of doctors and nurses, particularly in outer metropolitan and rural areas. This will impact on the availability of affordable health care into the future.

The three pillars of universal Medicare are the Medicare rebate, together with access to free treatment in public hospitals and the safeguards of the Pharmaceutical Benefits Scheme.

This package strengthens Medicare by:

- maintaining universal coverage for all patients through the Medicare rebate;
- providing financial incentives to general practices to bulk bill Commonwealth concession card holders;
- reducing up front costs for all patients by requiring only the gap between the Medicare rebate and the doctor's fee to be paid at participating practices;
- enabling all Australians, whether through Medicare or private health insurance, to access new protections to safeguard against high out-of-pocket costs for out-of-hospital Medicare funded services which may build up over a year;
- providing an additional payment to doctors treating veterans patients under Local Medical Officer (LMO) arrangements; and
- increasing the size of the medical workforce to ensure continued access to health services into the future, particularly for outer metropolitan and rural areas.

Amendments to the *Health Insurance Act 1973* and the *National Health Act 1953* are required before the package of measures can be put in place.

• How much will the package cost?

The package will cost $916.7 million over this and the next four years (to 2006/2007).

• Who are concessional patients, and what does this package mean for them?

Concessional patients are those 7 million Australians who are covered by a Commonwealth concession card including a Pensioner Concession Card, a Health Care Card or a Commonwealth Seniors Health Card. Generally, if a patient is eligible to receive medicines at the concessional rate under the Pharmaceutical Benefits Scheme (PBS) they would be considered concessional. Separate arrangements are in place for veterans.

Under this package of measures, patients covered by these concession cards will receive GP services from participating practices at no cost. These patients will also be protected from cumulative out-of-pocket medical costs through the introduction of a new Medicare Benefits Scheme (MBS) safety net.

The safety net will meet 80% of these cumulative costs once a threshold of $500 per family per year is reached. These cumulative costs may arise from specialist and diagnostic services, and will cover 80% of out-of-pocket expenses, including costs above the Medicare schedule fee.

- **What does the package mean for patients not covered by a Commonwealth concession card?**

Bulk billing, where doctors choose to provide care at no cost to the patient, will continue to be available to all Australians.

As is the case now, doctors will remain in control of their own billing practices and can choose to provide care at no cost to the patient regardless of whether those patients hold a Commonwealth concession card. There will be no means test.

Where participating doctors choose to charge a fee above the Medicare rebate to a non-concessional patient, that patient will experience a significant reduction in up-front costs. The patient will need to pay only the difference between the rebate and the doctor's fee, i.e. the amount of the 'gap'. With the patient's consent, the rebate will be paid directly to the GP by the Health Insurance Commission through the technology of HIC Online.

Anyone will be able to take out private health insurance to protect against accumulating out-of-pocket costs for out-of-hospital Medicare funded services, including the cost of specialist and diagnostic services and costs above the schedule fee, once an annual threshold of $1,000 is reached. Preliminary indications are that the cost of this new product, which can be made available independently of other private health insurance products, would be less than $1 per week for families. This will be supported by the Government through the 30% Rebate on private health insurance.

GP access scheme

- **What is the GP Access Scheme?**

The General Practice Access Scheme is a voluntary program which will provide financial incentives to general practices which guarantee to provide services at no cost to those patients who are covered by a Commonwealth concession card. The Health Insurance Commission will administer the program.

The program will be open to all general practices. This includes Aboriginal Medical Services with general practitioners and Medicare claiming arrangements.

• What are the incentives being offered?

The major incentives being made available to general practices are monthly cash payments linked to the number of services provided by the practice to concessional patients in a month.

The amount of the incentive a practice receives per concessional patient visit will vary depending on the practice's geographic location. This is because bulk billing rates have historically been lower in rural areas and therefore higher incentive payments are needed to ensure that rural patients have the same access to affordable medical care as those in metropolitan areas.

The incentive amount per concessional service will be $1.00 in capital cities, $2.95 in other metropolitan areas (large towns such as Geelong or Newcastle), $5.30 in rural centres (for example, Toowoomba, Cairns, or Broken Hill) and $6.30 in other rural and remote areas (for example, Coonabarabran, Crookwell, Mt Isa, Emerald, or Halls Creek).

For a full-time GP with an average concessional workload, the value of the incentives per year will average $3,500 in capital cities, $10,250 in other metropolitan areas $18,500 in rural centres and $22,050 in other rural and remote regions.

The higher a practice's concessional workload, the higher the monthly incentive payment it will receive. For example, an inner city practice with three full time GPs with a very high attendance by concession card holders can be expected to receive around $20,000 a year in incentive payments.

• Why won't doctors charge more of those patients not covered by Commonwealth concession cards?

The monthly incentive payment being provided to participating general practices have been carefully designed to ensure that the vast majority of practices are financially better off. There will be no need for GPs to increase their charges to non-concessional patients. As is the case now, doctors will retain their right to provide care at no cost to the patient regardless of whether that patient is covered by a Commonwealth concession card.

All participating GPs will be required to display their fee schedules so that patients can make an informed choice about attending that practice. While the General Practice Access Scheme is targeted in particular at patients covered by concession cards, the Government's package more generally improves affordability for all patients:

- up-front costs of a GP visit for those patients who are charged a 'gap' fee will be reduced as the patient will only need to pay the 'gap' at a participating practice, not the additional amount of the rebate; and
- patients will be able to take out private health insurance to protect against accumulating out-of-pocket costs for Medicare funded services, including those provided by specialists. Preliminary indications are that the cost of this new product, which can be made available independently of other private health insurance products, would be less than $1 per week for families. The Government will make a 30 per cent contribution through the private health insurance rebate.

- **Are there other benefits for practices participating in the GP Access Scheme?**

Other incentives will support those practices guaranteeing to provide care at no cost to concession card holders. A one-off payment, of $750 and $1,000 for metropolitan and rural practices respectively, will assist with any costs associated with connecting to HIC Online.

GPs will also receive rebate payments more quickly – in 2 days rather than 8 days. This has cash flow benefits for the practice.

To ensure practices operate as smoothly as possible, access to advice and support on improved scheduling of appointments and other business practices will also be provided. International experience has shown that waiting times for patients are dramatically reduced in a wide range of general practice delivery systems when there is an examination of service demand patterns, scheduling and more efficient appointment systems. For participating practices in areas of workforce shortage, assistance will be available to employ more nurses in general practice.

- **When will the General Practice Access Scheme start operating?**

Amendments to the *Health Insurance Act 1973* and the *National Health Act 1953* are required before the package of measures can be put in place. If passed by Parliament, it is anticipated that the GP Access Scheme will commence at the beginning of November 2003. Practices will need to register to participate in the program.

Medicare Claiming Procedures

- **How will claiming arrangements change?**

General practices which participate in the GP Access Scheme and choose to charge non-concessional patients a gap can use electronic claiming through HIC Online. They will be able to charge patients only the gap between the doctor's fee and the Medicare rebate.

The Health Insurance Commission will pay, with the patient's consent, the rebate direct to the practice. This will benefit both the GP who will be paid quickly and efficiently (down from 8 days to 2 days), and the patient who will not need to pay as much up front, nor visit a Medicare Office to claim a rebate.

- **What is HIC Online?**

HIC Online is the electronic way of doing business with the Health Insurance Commission (HIC), enabling claims to be lodged directly from medical practices via the Internet to the HIC. The HIC Online software is part of the Practice Management System (PMS). It uses patient details stored by the practice and there is no need to re-enter information for claims lodgement. This avoids administrative red tape.

• What are the benefits of HIC Online?

There are many benefits for ***general practices***, including:

- no paperwork needs to go to the HIC (except for claims in respect of veterans), nor does information need to be re-entered for claims to be lodged. This is a time saver for busy practices;
- a much quicker payment time from the HIC to the practice (within 2 days rather than 8 days);
- real time checking of eligibility, allowing a practice to confirm a patient's Medicare eligibility on-line; and
- online security arrangements enabling secure communications within the health sector.

There are also benefits for ***patients***:

- fast and easy claiming, for patients attending practices that participate in the GP Access Scheme, there will be no need to visit a Medicare office to claim the rebate. Where a gap is charged, the patient will pay the gap only. They will leave the surgery with no more to do and no more to pay.

• Who will be eligible to use HIC Online?

All general practices will be able to access HIC Online, but only those participating in the GP Access Scheme will be able to charge only the 'gap' to eligible patients, and use HIC Online to directly claim the Medicare rebate in respect of those patients.

• When will the new claiming arrangements be available?

HIC Online is available now. For practices joining the GP Access Scheme, the new arrangements will be available from February 2004 provided that essential legislation passes through Parliament.

• What level of privacy can be guaranteed for patients with this technology?

The Health Insurance Commission is committed to protecting patient information. The HIC Online claiming mechanism uses Public Key Infrastructure (PKI) to ensure the security of communications across the health sector.

PKI is the leading international solution for online security and privacy. It employs modern cryptology and follows stringent standards to ensure that all information electronically transmitted between the Health Insurance Commission and practices is secure, private and confidential. It provides patients with the electronic equivalent security of paper-based communications, signatures and transactions.

- **What support is being offered to rural/remote practices to access HIC Online?**

Practices participating in the GP Access Scheme which are located in rural and remote areas without 'broadband' access will be assisted to establish a broadband connection to HIC Online. A number of strategies at the local level, including infrastructure support, will be developed using a $9.2m funding package.

With a broadband connection, practices will be able to realise fully the benefits of HIC Online. Without this connection, practices can still use HIC Online but are more likely to need to process claims overnight in batches, therefore losing some of the convenience of a 'real-time' connection.

Safety Net – for patients covered by a Commonwealth concession card

- **Why is a new Medicare Benefits Schedule (MBS) safety net being introduced?**

Some concessional families experience mounting health care costs as a result of a chronic illness of one or more members of the family, or as the result of a single health care episode.

A new MBS "safety net" will be put in place to protect Commonwealth concession card holders from the cumulative cost of Medicare funded services, including those costs which are above the schedule fee and delivered by specialists, diagnostic services and the like.

A rebate of 80 per cent will apply to the total out-of-pocket costs of Medicare Benefits Schedule funded services above $500 per individual or family in a calendar year.

- **How will the safety net work?**

The safety net will count the total out of pocket costs in any calendar year for non-hospital Medicare funded services for the individual, or the family group. Families will need to register with HIC for the safety net to enable this to occur.

Once $500 in out-of-pocket costs in any calendar year has been paid, that individual or family will pay only 20 per cent of the remaining out-of-pocket cost of non-hospital MBS funded services for the rest of the calendar year. The remaining 80 per cent will be met by the Government.

- **When does the new safety net commence?**

The safety net will commence from 1 January 2004, providing that essential legislation passes through the Parliament.

- **What services does the new safety net cover?**

The new safety net applies to all Medicare items provided out of hospital. This includes costs associated with specialist consultations and diagnostic services. For the first time, costs above the schedule fee will be included.

- **Why is the new safety net only for Commonwealth concession card holders and their dependents?**

The new safety net is carefully targeted to those families and individuals in most need who face large out-of-pocket medical expenses. Other families and individuals will have the opportunity to take out private health insurance to protect against any accumulating out-of-pocket costs. The cost of this insurance will be subsidised by the 30% Rebate on private health insurance.

- **How will this new safety net interact with existing safety net arrangements?**

Both this and the existing MBS safety net will operate. An important difference between the two is that all people are eligible for the existing safety net, whereas only Commonwealth concession card holders will be eligible for the new safety net.

Another important difference is that the existing safety net covers the difference between the rebate and the schedule fee for out of hospital services. Once the safety net is reached in a calendar year ($319.70 for 2003) the rebated amount effectively increases to 100 per cent of the schedule fee. The new safety net considers all out-of-pocket expenses, including those above the schedule fee.

Private Health Insurance

- **What is being proposed?**

Private health funds will now be able to offer insurance cover for some out of hospital costs. Before this can occur, amendments to the *Health Insurance Act 1973* and the *National Health Act 1953* are required and will need to be passed by both houses of Parliament.

If an individual or family incurs gap charges for out-of-hospital medical treatments of more than $1,000 in a calendar year, they will be able make a claim to their health fund. Preliminary indications are that the cost of this new product, which can be made available independently of other private health insurance products, would be less than $1 per week for families.

This new product will be able to cover out-of-pocket expenses over $1,000 for MBS funded services, including diagnostic tests such as x-rays, ultrasound and radiation oncology services provided outside a hospital setting.

The full amount between what the doctor charges and the Medicare rebate will be able to be covered by health funds once the $1,000 threshold is reached.

- **Why has the threshold been set at $1,000?**

  This product is designed to ensure that those patients with high medical needs and costs are able to have some cover and a level of affordability for their out-of-hospital care.

- **Why is there a cost to Government?**

  The government will meet 30 per cent of the cost of premiums for the new cover through the private health insurance 30% Rebate.

Veterans

- **What arrangements will there be to ensure Veterans access affordable services?**

  Veteran access to quality health care will be assured through the introduction of a veteran access fee to be paid to Local Medical Officers (LMOs) general practitioners registered under the repatriation health system.

  A fee of $3 will be paid for each LMO consultation provided to the more than 340,000 veterans and war widows who hold a Gold Card or White Card. This fee will be paid on top of the 100 per cent of the Medicare Benefit Schedule (MBS) fee now paid for treating Gold or White card holders.

Workforce – Medical School Places

- **What is being offered?**

  234 additional publicly funded medical school places will be made available each year commencing in 2004. These places will be subject to a 'bonding' requirement, that is, students accepting these places will agree to work in districts of workforce shortage such as outer metropolitan or rural areas for a minimum period of six years after they complete their training. A bonded doctor will be able to work in more than one such area.

- **How is a district of workforce shortage defined?**

  Districts of workforce shortage are those where the doctor to population ratio is significantly worse than the national average. This includes many rural and remote districts but may also include, for example, a number of outer metropolitan areas where there is a significant shortage of medical practitioners.

- **How will the additional places be allocated to universities?**

New medical school places will be allocated across universities with reference to:

- projected state/territory population need;
- minimum intake benchmarks to ensure medical school viability standards are met;
- infrastructure capacity; and
- the capacity of individual schools to provide clinical training placement opportunities for extra students.

The allocation process will ensure that each university has a suitable balance of unbonded places and bonded places (both the new bonded places and the existing Medical Rural Bonded Scholarship Scheme places).

The final allocation of places will be determined by the Minister for Health and Ageing in consultation with the Minister for Education Science and Training.

- **How will the allocation of bonded and unbonded places be determined within universities?**

Offers of places at each medical school will remain the responsibility of the individual university, with universities determining the allocation of places on a merit basis.

Workforce – Additional GP Training places

- **What is intended under this measure?**

Under this measure, 150 additional places will be added to the GP Training Program. This will bring the total number of new GP registrars to 600 a year. GP registrars are doctors who have completed their undergraduate degrees and who are undertaking vocational training in general practice.

The places will be advertised during 2003 and will commence in 2004.

- **Where will these trainees be located?**

These GP registrars will be working within general practices in areas of workforce shortage while they are training, and will be providing a range of medical services (under supervision) to patients.

The Government will be working with the General Practice Registrars Association (GPRA) and GP Education and Training (GPET), both to increase the number of quality accredited training practices in areas of workforce shortage, for example rural and outer metropolitan areas, and to increase flexibility within the current training arrangements.

- **How are applications made for places in the GP Training Program?**

The application process for general practice training places is run by General Practice Education and Training (GPET). The GPET website contains detailed information around application processes and requirements, and can be found at www.gpet.com.au.

Workforce – Nurses and Allied Health

- **What do nurses in general practice do?**

Nurses who work in a general practice environment provide:

- clinical nursing services;
- coordination of patient services;
- management of the clinical environment by assisting the practice to meet relevant standards and legislative requirements;
- health promotion and education activities;
- management of human and material resources; and
- management of health through immunisation, recall systems and acute and chronic disease management.

Nurses employed in general practice may either be registered or enrolled nurses. A nurse must have the minimum specified qualifications appropriate to the functions undertaken. All nurses employed in general practice must be registered with the registering authority in the state or territory in which they are working.

- **How many nurses will be funded under this measure?**

Up to 457 full time equivalent nurses will be funded. 800 general practices in areas of workforce shortage, especially those located in outer metropolitan and rural areas, are expected to benefit. Alternatively, general practices may choose to employ other allied health professionals.

- **How does a nurse help general practice?**

Nurses assist GPs by supporting a range of practice activities, such as the management of chronic diseases (for example, diabetes and asthma), undertaking population health activities such as health assessments, and providing clinical support. This allows GPs to focus on diagnosis and clinical care.

- **How will practices become eligible to receive assistance for a nurse?**

A nurse initiative in general practice is already in place, focussed on rural and remote areas, and some urban areas where there is a workforce shortage. Under the new arrangements, this will be extended to additional urban areas of workforce shortage, particularly outer metropolitan locations. Only practices that participate in the GP Access Scheme will be eligible to access additional funding for nurses.