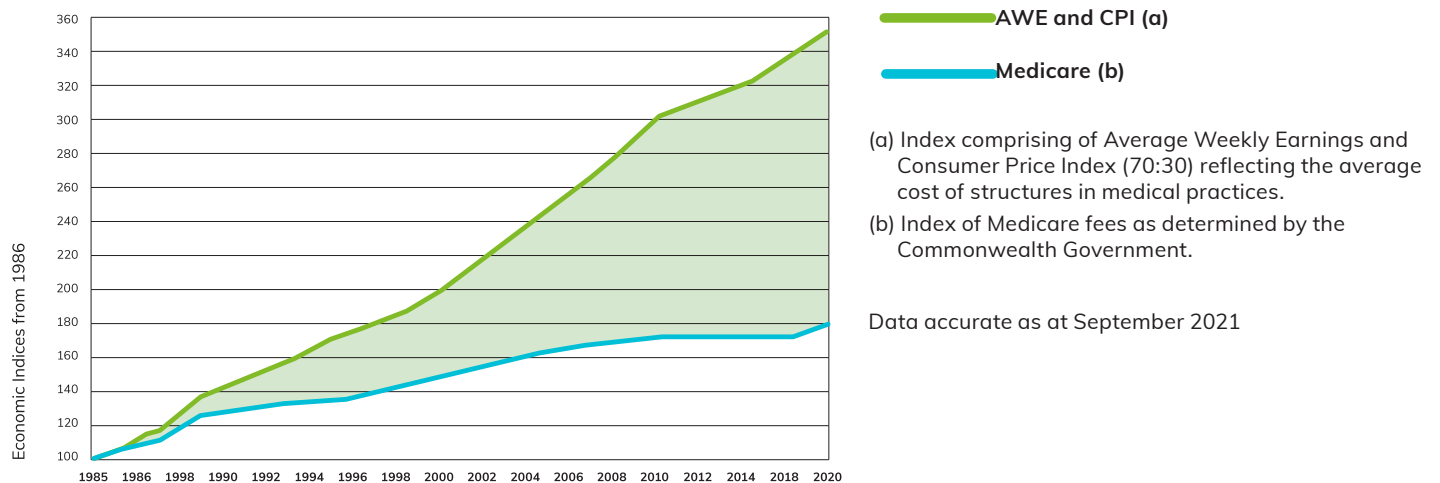




# Why is there a gap?

The Medicare rebate does not fully cover the cost of providing good quality care. The rebate has been kept at the same level for many years whilst costs have increased significantly.

The GPs at Elizabeth Family Health have absorbed this increasing cost in the past. However, this is no longer sustainable. As such, we have had to introduce a small gap fee and decrease the availability of bulk billing to some groups of patients to help fund the true cost of providing care.



## About the Medicare rebate and private fees

Medicare was introduced in 1984 as an insurance system for Australian healthcare to subsidise doctor visits outside of the hospital system. It was envisaged that Medicare would pay 85% of the cost of the visit, and there would be a 15% co-payment by the patient. Over the years, various government incentives encouraged GPs to offer what is called "Bulk Billing". This is where the Medicare fee is accepted as the whole payment for the consultation without any payment from the patient.

In 2013, the previous indexation of Medicare benefits with inflation was "frozen," by the federal government meaning the rebate stayed the same despite practice costs rising through inflation. The freeze was meant to last one year but was maintained by successive governments for six years. Since then, the indexation has been less than inflation. Overall, healthcare inflation costs have increased 39% from 2010-2020, whereas the Medicare rebate has increased only 8% over the same period.

General Practice clinics are private businesses that derive nearly all their income from fees charged to patients. The fee paid at the desk covers all costs - not just the doctor. It covers staff wages, (nurse, receptionist, cleaner), building costs, regulatory costs, insurance and all the other myriad costs of running a small business.

**It is now not financially viable to run a GP clinic by bulk billing alone.**

There are several examples of clinics nationally and locally that have had to close as they relied on bulk billing alone.

We have tried to increase efficiency as much as possible over the years.

Have you noticed how busy your doctor always seems to be or how long you have to wait for an appointment? There comes the point where efficiency becomes poorer quality care because consultations are rushed or hard to get. We absolutely will not compromise on the quality of care. Therefore, we need to supplement the Medicare rebate with a gap.

We completely understand and sympathise with the argument that gaps may put people off seeking essential care or push people into attending the Emergency Department. A single visit to ED costs the taxpayer about \$500, whereas a single bulk-billed GP consult of up to 19 minutes is valued at about \$40! We would much rather patients are incentivised to look after themselves and get good preventative care rather than end up in ED - but the rebates and government policies do not reflect that.

**If the Government were to increase your Medicare rebate, the gap you pay to see your GP would reduce.**

Please write to your federal MP about the issue - we would really appreciate it.

Thank you for your understanding and for taking the time to read this.

We'll continue keeping you as healthy as possible.

The Elizabeth Family Health Team