

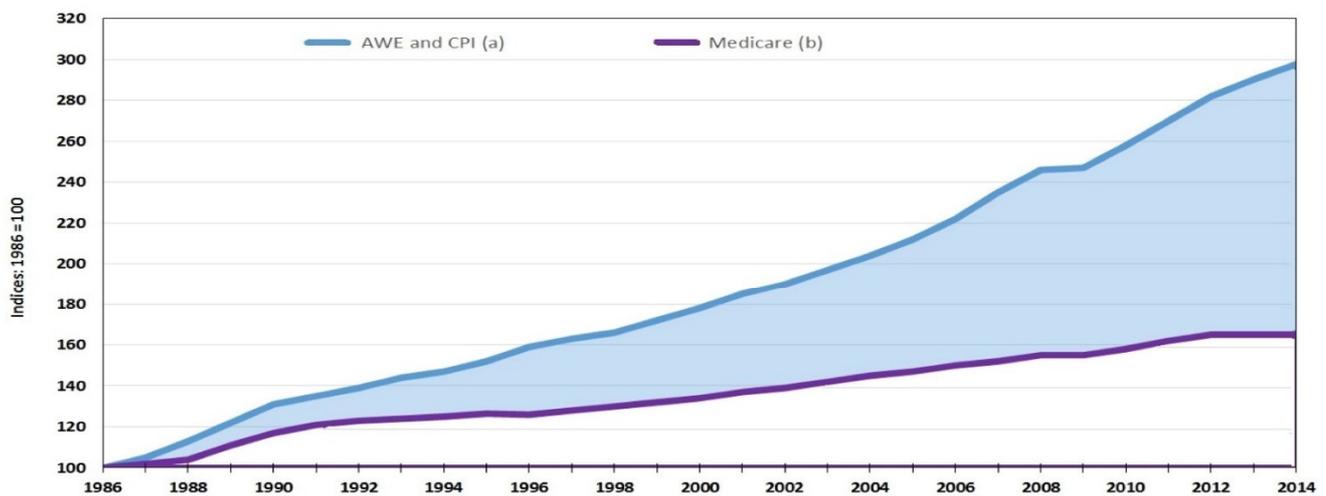
An open letter to our Kallista Medical Centre Community regarding billing changes from January 2020.

In the current political climate, there is a lot of misinformation out there surrounding Medicare rebates and bulk billing. We as a practice want to provide our side of the story.

The mission of Kallista Medical Centre is to provide high quality care by a team proud of our work and community. Our focus is the patient journey and how we can enhance this with the services we provide, the skills and knowledge of the staff we work hard to attract, and extensive quality in technology and equipment.

To continue to deliver the best possible quality of care, we feel that we have no choice but to move away from accepting the value that the government places on our services (a maximum of \$44.60 for up to 20 minutes of our expertise), to something that is more in line with the standard costs of other services: eg. tradespeople, allied health and alternative therapists, where out of pocket costs can be substantial. Sadly, the government has decided that the time you spend at the doctor's surgery is worth less than what your dog is charged at the vet.

For many years, Medicare rebates have failed to keep pace with inflation and do not reflect the cost of delivering high quality general practice services. The Government froze Medicare rebates for 4 years (taking over a billion dollars from General Practices) and then in 2017 began indexing them at just 1.4% per year. However, the cost of running a practice has continued to rise by 4 – 6% per year over the past 10 years (see Graph below).



(a) Index comprising average weekly earnings and Consumer price index (70:30) reflecting the average cost structures in medical practices.
(b) Index of Medicare fees as determined by the Commonwealth Government.

Unfortunately: In January 2020, Medicare will be reducing the incentive payment to bulk bill Pensioners, Health Care Card holders and children up to 16 years, from \$9.65 to \$6.40. This is a drop of over 33%.

So we have a dilemma – How to balance the needs of our patients for affordable, quality health care, with the need to operate a sustainable business. Bulk billing clinics choose maximum patient throughput and minimal care but we as a medical team are unable to live with that approach.

From 1st January 2020 we will be changing our billing practices. This will start by introducing a discounted private fee that will apply to all patients on a current Health Care Card and children under 16. Patients on a current Centrelink Pension card and DVA patients will not be affected by these changes at this stage. Doctors' discretion will always be used and patients who are experiencing financial difficulty can always discuss this with their Doctor. Bulk billing may be offered outside of these guidelines on a visit by visit basis.

This has been a difficult decision for us and we understand it is also difficult for our patients. Please feel free to contact your local MP or Health Minister to encourage them to do something about increasing Medicare rebates.

We thank you for your continued support of Kallista Medical Centre and if you have any questions or wish to provide feedback or suggestions around these changes, please feel free to write to the Practice Manager.