

4 May 2007

Mr Scott Gregson  
The General Manager  
Adjudication Branch  
Australian Competition & Consumer Commission  
PO Box 1199  
Dickson ACT 2602

Via email: [adjudication@accc.gov.au](mailto:adjudication@accc.gov.au)

Dear Scott

**Royal Australian College of General Practitioners (RACGP) application for  
an authorisation [A91024]**

Thank you for providing the Rural Doctors Association of Australia (RDAA) with the opportunity to comment on the draft determination made in relation to the RACGP application regarding the arrangements within a practice for patient fees and fees that the GP/OMPs as Visiting Medical Officers (VMOs) may charge hospitals.

There are a few points that the RDAA would make in relation to specific statements included the draft determination and I have provided these below:

*Para 4.8 page 20* – it was noted that it could be argued that the original determination in 2002 have contributed to an increase in the price of primary care. The RACGP noted that there is no evidence to support these arguments. The RDAA would go a step further and argue that in fact the costs to consumers of primary care through general practice have fallen since the original authorisation. Medicare data indicates that:

- since 2002 there has been an increase in the number of consultations that have been bulkbilled from 67.8% in 2002/03 to 75.6 in 2005/056 and 77.1% in the December quarter 2006. This means that patient are not having to pay a contribution and are not incurring expenses when they see a GP or OMP.
- The percentage of items billed that were in observance of the schedule fee has increased from 74.5% in 2002/03 to 76.8% in Dec 2006 (fees were paid at the rate prescribed the Commonwealth Medical Benefits Schedule).

- The average patient contribution per service has risen from \$5.70 in 2002/03 to \$6.10 on 2005/06 an average increase of ~2% per year which is well below the growth in practice costs and cost of wages increases.

*Para 4.10 Page 20* -The possibility of increased costs to hospitals was raised. The RDAA considers it unlikely that there would be any significant cost increases to hospitals, in fact it is likely that some costs will be decreased as more efficient and effective rostering arrangements may be put in place, the costs associated with negotiating contracts with multiple providers within a practice will be removed and the ability to contract/recruit doctors will also be enhanced. It is also considered unlikely that any cost increases that may eventuate over the authorisation period could be attributed alone to the authorisation and would more likely relate to real cost increases in practices and reduced workforce supply. The benefits of having the authorisation in place would mean that more doctors would be more inclined to continue in their roles, or take up roles, as VMOs and that this in itself would reduce hospital costs as patient would be transferred to regional or metropolitan hospitals where VMOs are not available.

*Para 4.32 Page 23* – The Victorian Department of Health contends that the situation is different in Victoria and the RDAA would agree with this to some extent in that negotiations occur with individual hospitals. However, rather than reducing the need for an authorisation, this situation actually means that there is a greater need for an authorisation compared to States where fees are set centrally by the Health Departments. The RDAA considers that the Victorian situation will be improved by an authorisation as the hospitals would be able to negotiate with practice doctors, as a group, for the provision of the services and this would ensure that coordinated and efficient arrangements are put in place. The statement is also made by the Department that the current arrangements work well; we would submit that the evidence is against this with large numbers of procedural doctors in Victoria indicating dissatisfaction and that they have left or intend to leave the hospital system in the next 5 years.

The RDAA supports the RACGP application and the draft determinations made by the Commission and considers that a final determination in favour of the RACGP will assist in ensuring the continuing availability of procedural medical services in the communities of rural and remote Australia.

I would be happy to provide further information if required and can be contacted on 02 62739303 or at [ceo@rdaa.com.au](mailto:ceo@rdaa.com.au).



**Steve Sant**  
CEO