

**RDAA Application (A91376) to the
Australian Competition and Consumer
Commission (ACCC)**

Supplementary Submission.

Negotiations with Medicare Locals.

Community Benefits.

RDAA considers that its application to extend its current authorisation to supports its members in negotiations with Medicare Locals would have significant community benefits.

RDAA is applying for this authorisation on the grounds that it will maintain or improve the level of access to primary health care services in rural communities.

There are many challenges associated with providing the primary health care services, including after hours services, in rural and remote areas. In the case of after hours services, these services often rest on fragile foundations. The average age of a rural doctor is over 50. Many of these doctors have been providing after hours services in their communities for over twenty years. In many cases, workforce shortages have meant that these doctors continue to work long hours, and for some of these doctors, any new arrangements with respect to the way in which after hours and/or other primary care services, are incentivised and funded, may be the catalyst for them to consider whether they will continue to provide those services, particularly if they perceive that the new arrangements are going to be more onerous, either administratively or clinically.

As has been demonstrated with maternity care and other procedural services in rural areas, once a service is lost in a rural area, it becomes much more challenging to re-establish that service at a later date.

Knowing that they have access to the advice and support of RDAA or its constituent State organisations may encourage RDA members to enter into negotiations and contractual arrangements with their respective Medicare Local. There have already been instances where members have contacted RDAA regarding draft contracts with Medicare Locals. The very general information, advice and support which RDAA has been able to provide has resulted in some of those doctors re-entering into discussions with their Medicare Local and the signing of agreements for the provision of services.

RDAA considers that this situation would be enhanced under the arrangements proposed by its application.

Although the funding contracts which rural doctors and practices may enter into with Medicare Locals for after hours services may represent a relatively minor proportion of total income, it does provide an important incentive and support to maintain these services. Rural practices are extremely varied in size and nature so it is difficult to provide an accurate average estimate of the percentage of income which would be derived from contractual agreements with Medicare Locals. However RDAA estimates, based on feedback from members, indicate that it would be less than 2% of total income in most cases.

Doctors Covered by RDAA Application.

While RDAA works to support and represent all rural doctors, this application covers only those doctors who are financial members of RDAA and its constituent State organisations.

Rural Health Workforce Australia estimates that there were a total of 6,467 doctors practising primarily in the general practice setting in areas ranging from inner regional to very remote areas of Australia in 2010. (*Health Workforce Queensland and New South Wales Rural Doctors Network (2010). Medical practice in rural and remote Australia: Combined Rural Workforce Agencies National Minimum Data Set report as at 30th November 2010. Brisbane: HWQ.*)

The total number of financial members of RDAA and its constituent State organisations who are rural doctors is approximately 1,200. This includes rural doctors practising in specialist areas other than general practice, and doctors working entirely in the public sector, with both of these categories not being relevant to the application. RDAA's application therefore covers less than 20% of the rural doctors who might be involved in negotiations with Medicare Locals.

Under these circumstances, there is minimal likelihood that the competitive environment will be compromised, and this would be outweighed by the community benefit arising from this application.