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Integration and GP Remuneration

This paper was submitted to the Victorian Advisory Committee on General Practice (VACGP) in October. The VACGP comprises representatives of the Commonwealth Department of Health & Family Services, the State Department of Human Services, the AMA, RACGP, divisions of general practice, hospitals and consumers. It is intended that a revised version be put to the GP Financing Group.

The issues

There are two major problems related to GP financing which need to be resolved in order for GPs to be fully involved in addressing integration issues. One relates to the fee-for-service payment system, which provides financial incentives to GPs to see a large number of patients for relatively short consultations; the other relates to situations where GP roles form part of both the Commonwealth-funded elements of the health care system and the State-funded elements.

Long consultations, case conferences

The Medicare Benefits Schedule (MBS) provides a disincentive for GPs to participate in the care of patients with some conditions which may require long consultations, case conferences etc. This arises particularly in the area of mental health, and resolution of this issue has recently been designated as the first priority in the draft implementation strategy of the Joint Consultative Committee on Psychiatry's (JCC) *Primary Care Psychiatry – The Last Frontier.* As well as advocating the revision of the MBS to remove disincentives for the provision of longer consultations, the implementation strategy suggests that alternative methods of funding care of "high service utilisers" should be examined, with these methods addressing the extra time required over and above the long consultation time frame, including non face-to-face activity.

Similar issues arise in other health areas apart from mental health, e.g. aged care, domestic violence, child abuse, disability.

State / Commonwealth funding issues

The issue of long consultations, and remuneration for GPs who play a role in providing assessment and referrals also arises in relation to the Victorian Department of Human Services' (DHS) reform of the Primary Health and Community Support (PHACS) system. The constant issue for those divisions of general practice which are interested in facilitating GPs' involvement in a more integrated primary health system is: how the GPs will be paid for the extra work they would be doing in the restructured system? Without some remuneration for this extra work, divisions argue, GPs are unlikely to be involved, no matter how interested they may be.

To involve GPs in this type of integrated system, it may be necessary for the DHS, which funds a range of primary health services, to pool some of its resources with the Commonwealth which funds GP consultations through Medicare.

A recurring problem is the Department of Human Services' apparent reluctance to fund work by GPs on the grounds that GPs are funded by the Commonwealth through the MBS. However, MBS payments cover clinical services provided by GPs, and if the GP role is to be expanded beyond the current clinical consultation, as advocated in many integrated models of care, it may be necessary for DHS to fund GPs in the same way as other health professionals for work other than MBS-funded clinical services.

Possible approaches

RVS

We hope that the revision of the Medicare Benefits Schedule according to the Relative Values Study (RVS) currently underway, will address the issue of GPs providing long and complex consultations. However, it is not clear to what extent it will resolve the problem, nor whether it will address the issue of non face-to-face activity. In considering the progress of the RVS, the General Practice Remuneration Taskforce have recently argued that the issues of remuneration for case conferencing and for episodes of care and coordinated care still require discussion and resolution.

Some GPs have proposed as a solution the MBS remunerating GPs more directly for the amount of time spent with patients. This would mean, for example, paying four times the value of a standard consultation for a complex, long consultation that is four times the length of a standard consultation. This type of system may require GPs to be accredited with skills in specific areas (e.g. mental health) which may not be viewed as desirable by the profession as a whole.

PIP

The Practice Incentives Program, designed to counter the fee-for-service system's inherent encouragement of quick and numerous consultations and thereby enhance the quality of general practice, may be another vehicle for addressing the problems detailed above. Exactly how the PIP should address this is another matter.

The Joint Consultative Committee on Psychiatry report suggests (p.39) that GPs should be remunerated for providing an annual assessment and development of a care plan for all residents of aged care facilities and hostels for the homeless (as is being trialled by the Dept of Veteran's Affairs), and for all patients with chronic mental disorders and mental health problems undergoing shared care with specialist mental health services.

Possible process for resolution

The funding issues discussed here have existed for some time, but finding ways to resolve them is becoming increasingly urgent.

A precondition of implementing the other recommendations of the National Mental Health Strategy project *Primary Care Psychiatry – The Last Frontier* is altering the current system

of funding for GPs and for psychiatrists, which is "crucial to improvement in the clinical services received by people with mental disorders and mental health problems in general practice." The funding issue needs to be resolved before GPs will be able to put into practice the results of any of the GP and undergraduate training which are the next priorities of the JCC.

The resolution of the issue of remuneration for GPs participating in the PHACS system is an immediate issue for GPs and divisions, and for the Department of Human Services. Without its resolution, GPs are unlikely to be involved in ways that will strengthen and improve integration of the system. Although the demonstration models are intended to try out possible solutions, GPs will not be fully involved even at the level of demonstration models, if the question of GP remuneration is not addressed.

The co-operation of the State and the Commonwealth to resolve both these issues is essential.

The GP Remuneration Taskforce recently requested a meeting with the Chair of the Medicare Schedule Review Task Force to address, among other things, the issue of GP remuneration for case conferencing, and for episodes of care and coordinated care. The VACGP may wish to put the issues raised in this paper to the Medicare Schedule Review Taskforce to encourage them to resolve the issues, and to include measures that will adequately address disincentives for long consultations and case conferencing when the MBS is re-drawn.

DHS is now planning the structures and formula for PHACS. The possibilities for remuneration of GPs participating in the restructured PHACS system must be explored before GPs can be fully involved. The VACGP may wish to consider what would be the best way for the Commonwealth and the State to explore in detail the possibilities for GP remuneration within the PHACS system. This may also involve work to further clarify the precise nature of the desired GP role within PHACS.

Recommendations

1. **That the VACGP put the issues outlined above to the Medicare Schedule Review Task Force, and request them to address disincentives for long consultations and case conferencing by GPs.**

2. **That the VACGP request:**

   i. **the Manager of DH&FS State Office to**

      - **commence negotiations with DHS, to resolve the issue of GP remuneration for work beyond the current clinical consultation funded by the MBS, especially in relation to the restructured PHACS system**
      - **suggest that other State Offices conduct negotiations with their State Health Departments to resolve the same issue as it arises in their states.**

   ii. **GPD-V to ask the other State Based Organisations of Divisions to take the matter up with their State Offices and divisions.**