

OPINION

I'm a GP and I'm sorry – but I can't afford to bulk-bill you



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May 13, 2023 – 5.00am

On Monday, as usual, GPs will turn up to work, and look forward to seeing their patients.

They will check the baby's ear, discuss a mother's concerns about their child's development, have a suicidal patient divulge their childhood abuse, give a cancer diagnosis, help a domestic violence victim, manage diabetes, help a woman plan for a pregnancy, remove a melanoma and discuss end-of-life care. They will provide patients with a familiar face, a safe place to reveal concerns, and keep many out of hospital.

I qualified as a specialist general practitioner in 2010, and in 2013, I opened my own practice in inner Melbourne. In the same year, a budget-saving measure – the “Medicare Freeze” – was introduced. For five years, there was no increase in rebates.

When the freeze ended, the thaw was slow. The average rebate rise over the past 10 years is 0.5 per cent, versus health inflation at an average of 5 per cent a year from 2010-2019. This hit hard and undermined the financial model of owning and operating a viable clinic. [Estimates suggest there has been a 35-50 per cent reduction in real practice income over 10 years.](#)

My clinic's annual fixed costs are well over \$1 million. I'd be insolvent if I bulk-billed. Except for a few state-funded clinics, GP clinics are largely private businesses, and when you see a GP, the money you pay has to support the entire business – the fees paid help cover the rent, reception staff, nurses, electricity, phones, equipment and more.

The government currently covers \$39.75 per 15-minute consultation for every patient. If you have a Health Care Card, a Pensioner Concession Card, or are under 16 years of age, and you are bulk-billed, your GP accepts that amount as payment, and receives an extra \$6.60 if they are in the inner city. So the GP receives a total of \$46.35 for that consultation.

In Tuesday's budget, the government announced that from November, [the \\$6.60 extra payment will be tripled to \\$20.65 for those inner-city bulk-billed patients](#), so the GP will receive a total of \$60.40 for that consultation. It's a help, and GPs are pleased to see the government starting to inject some urgently needed funds, but it means we are still going backwards.

To have a sustainable business, inner-city clinics need to generate enough revenue to cover their overheads, which vary greatly. If the fee a GP requires to keep the lights on is around \$95 for a standard 15-minute consultation, they will still be effectively losing \$34.60 per standard appointment. This means their private business is providing free healthcare at its own personal cost, and at the risk of the business going under.

This is why the GP bulk-billing rates have been plummeting over recent years – we have been left with two options: charge a fee to cover the difference, or close the doors for good. No business can sustain a persistent loss.

This cash injection is a great start, and will help so many vulnerable people. The bulk-billing incentive is higher in rural and regional areas, and the tripling of this will make a huge difference in the bush, where it is desperately needed.

But the closer you get to the CBD, the higher the rent and other costs. Even with this incentive rise, most inner-city GPs will still not be able to afford to bulk-bill because every such consultation will run at a loss. We want to help people. We care about our patients. We just can't lose money doing it. The extra incentive payment helps, but when the base rebate is woefully inadequate, it still isn't enough to bulk-bill the various concession-card holders across the board.

All the GPs I know like to spend time with their patients. I can't recall the last time I finished a consult in under 20 minutes. We want to understand each patient's concerns and address them properly. I can't do that in five minutes, and for me to bulk-bill, even with this incentive rise, I'd have to see almost five patients in the time I usually see three. I can't sacrifice the quality of my care in this way. I love my job and want to help my patients have the best outcomes possible. Done properly, general practice makes the health system more efficient, reduces hospitalisations and improves health outcomes.

GP clinics are small businesses, and we want to help our patients, but altruism is not a sustainable business model.

Dr Sarah Lewis is a specialist general practitioner, the owner of Port Melbourne Medical, and a board member of AMA Victoria.

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