

The cost of care

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No attention is being paid to what the oversupply of doctors in metropolitan areas is costing Australian taxpayers, according to new research.

Published today, the report by Dr Bob Birrell, of Monash University's Centre for Population and Urban Research, found the number of [General Practitioners](#) (GPs) in Australia has increased by 17 per cent in five years; from 18,091 in 2006-07 to 21,119 in 2011-12. Over the same period Australia's population grew by only 7.8 per cent.

Dr Birrell said the assumption that there is a shortage of GPs in Australia, particularly in non-metropolitan areas, is a myth.

"There has been a sharp increase in the number of Full-Time-Work-Equivalent GPs (FEW GPs) billing on [Medicare](#) since the mid-2000s," Dr Birrell said.

"The level of GP services in both metropolitan and non-metropolitan areas, with a few exceptions, is well above that considered adequate by medical manpower authorities. This over-servicing is showing up in high bulk-billing rates."

The excess supply of doctors, which was due to an increase in the number of GPs trained in Australia and a sustained flow of several thousand International Medical Graduates (IMGs) arriving on 457 visas over the last few years, leads to over-servicing.

"In 2011-12, more than 80 per cent of GPs in both metropolitan and non-metropolitan [areas](#) were bulk-billing through Medicare. By billing through Medicare, GPs do not have to worry about bad debts or about the costs of collecting their fees. They are paid directly by the Government," Dr Birrell said.

"This over-servicing is very expensive for the Australian taxpayer. In 2011-12 the Commonwealth Government paid out \$6.7 billion to GPs billing on Medicare and for GP incentive programs."

This amounts to an average of \$317,000 for each of the 21,119 FEW GPs billing on Medicare in 2011-12.

"With gross returns at this level it is no wonder so many IMGs are keen to come to Australia and enter the GP workforce," Dr Birrell said.

"If the Australian Government ceased to allow further sponsoring of GPs on 457 visas and further issuance of visas to GPs under the permanent-entry skilled visa program, we can prevent dire consequences.

"Instead the focus of GP policy should be on managing the sharp increase expected - approximately 1000 per year over the next few years - in the number of locally trained medical graduates."

Provided by Monash University

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