

**Family & Community Services (FaCS)
supplementary submission
to the Productivity Commission study on
General Practice administrative and compliance costs**

February 2003

Administrative requirements for Social Security Payments

The collection of medical information from customers is one of several steps towards determining eligibility for social security payments that assist people with a disability, illness or injury. The most common method of collecting this medical information from a person is via the Treating Doctor's Report or Centrelink medical certificate, which provide a standard format for collecting medical information. Centrelink examines the Treating Doctor's Report or medical certificate along with other supporting information that the person provides. Centrelink also undertakes a secondary assessment of eligibility using internal and external experts, including medical practitioners, if the information supplied by the claimant does not clearly indicate that the person is qualified. In 2001-02, the Family & Community Services portfolio expended \$21 million on medical assessments.

In the strictest sense, general practitioners do not incur a compliance cost in relation to this portfolio's programs since they are not compelled under Social Security legislation to provide information to Centrelink in support of claims for income support. Rather it is the customer who must provide the information and thus procure it from a general practitioner. While this distinction is unimportant in relation to the Commission's recommendations on reducing costs for general practitioners, it is central to any subsequent discussion of who should bear these costs, in full or in part. It is noted that if the Treating Doctor's Report or medical certificate is completed as part of a medical consultation, GPs can claim a Medicare rebate of up to \$47.60 for this purpose. GPs also receive the 'gap' from patients where there they do not bulk bill.

The requirement on income support claimants to furnish a medical certificate to Centrelink when a temporary incapacity prevents them from working or looking for work is no different to the requirement that employees provide a medical certificate to their employer if illness prevents attendance at work. In both instances, the cost of procuring the medical certificate lies with the worker or income support recipient.

Remunerating GPs for providing medical information

Department of Veterans Affairs (DVA)

The Commission's progress report draws comparisons between the different approaches to cost-reimbursement of this portfolio and the Department of Veteran Affairs (DVA) but fails to acknowledge that the differences in the administrative and assessment processes between the two government agencies arise directly from the fundamentally different frameworks of the veterans' and social security systems. In this regard it is important to note that DVA payments are in the nature of compensation for injury arising from war service for which the Government has accepted responsibility. In providing social security payments the Commonwealth is not assuming a compensatory role, rather it is providing a safety net to people who are in need of support.

DVA provides compensation payments for Australian Defence Force personnel who have sustained war or service-related disabilities in defence of Australia. A parallel is workers compensation provision for other employees. To establish a connection between the disability and war service, DVA arranges for veterans to undertake a medical examination with their doctor to complete forms as part of the assessment process. As this is predominantly required for compensation payment purposes, this makes the consultation ineligible for Medicare payments under the Health Insurance Act.

Workers Compensation Systems

The Progress Report suggested (PC p.28) that if FaCS/Centrelink were to directly pay for the preparation of medical reports it would bring payment arrangements into line with private sector arrangements (employers and life insurance companies) that pay for detailed health assessments. This comparison is misleading as it fails to acknowledge that workers' compensation systems are based on the payment of premiums and an acceptance of liability and/or legal obligations.

The primary responsibility for the support of people who are incapacitated because of work-related illness or injury rests with employers under the State and Territory workers' compensation schemes. As part of the initial claim for worker's compensation, a customer would usually attend their usual GP to get the initial diagnosis of their condition. However, part of the employer's/insurance company's compensation verification process would usually involve seeking independent medical assessments to seek verification of the impact of the disability. Employers and/or life insurance companies do not pay the person's treating doctor for the initial consultation unless they have already accepted liability.