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News release

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Radical plan for bush doctor shortage

Auctioning Medicare provider numbers is the best way to solve the problem of the shortage of doctors in the bush, according to a new analysis by The Australia Institute.

Under the proposed scheme, Medicare provider numbers, which authorise Medicare rebates for consultations, would be tied to geographical areas according to the identified need for GPs. Doctors would be required to bid for Medicare provider numbers and would face intense competition in the most desirable areas.

The Institute estimates that doctors who most want to practice in the eastern suburbs of Sydney would be required to pay upwards of \$300,000 over a ten-year period in order to be able to claim Medicare rebates.

In regions where the need for GPs is currently unsatisfied, doctors would not need to pay anything to acquire a Medicare provider number. Under the new scheme, revenue from auctions for provider numbers in popular areas could be used to provide financial incentives to GPs to practice in areas with a shortage of doctors.

Commenting, Institute Executive Director Dr Clive Hamilton said: "General practitioners receive most of their income from the government. Last year the average Medicare payment to GPs was \$110,000.

"Others on the public payroll – teachers, for example – accept that they cannot all work in Kew, Woollahra or Byron Bay and must go where they are needed."

Under the proposed scheme, doctors could practice wherever they chose, but they and their patients could only claim Medicare rebates if they had acquired a provider number at auction and practiced in the designated area.

"The proposed scheme will draw criticism from doctors who currently set up publicly funded businesses in locations that maximise private convenience," said Dr Hamilton.

"But the trend towards corporate buy-outs of general practices undermines the moral claims of doctors to professional independence."

It has been estimated that there are 152 doctors per 100,000 people living in Sydney, but only 79 for rural populations outside major centres.

The proposed scheme is reported in the Institute's quarterly newsletter, to be released this week.