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## Election 2025: Medicare bulk-billing model ‘smoke and mirrors’, says Australian Association of Practice Management

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Labor’s centrepiece Medicare policy promising most patients will be able to see a doctor for free has been described as “smoke and mirrors” by the national association of general practice management, as Anthony Albanese suggests some doctors have a vested interest in raising questions about his bulk-billing plan.

The Australian Association of Practice Management is the peak professional body that supports effective administration in thousands of GP surgeries.

Many of its members have provided feedback they will not become a fully bulk-billing practice as a result of extra incentives on the table for GPs.

The association has [joined peak medical groups in casting doubt on the idea that most practices will be financially better off](#) if they bulk bill all patients, and also questions political messaging that patients will be able to see a doctor for free.

### ‘A beautiful dream’

"That will not be the reality because there's no such thing as free. It's a nice vision and a nice political sell, but we are in the business of being practical," AAPM chief executive Miranda Grace said.

"The idea that all you will need is your Medicare card to get free doctors' visits – I think that is a beautiful dream to have but I don't know how that's going to translate in reality. I think it's going to be a huge challenge.

"A lot of practitioners bulk bill now based on particular patient needs and depending on the community they serve.

"However, to make people think that everybody's just going to walk around with their Medicare card and just get free healthcare, I think, it's actually really a misinformed statement.

"I would say the policy needs more consideration. It's all a bit of smoke and mirrors at the minute, a bit of a utopian sort of vision." The warnings came as the Prime Minister criticised the Australian Medical Association's track record on Medicare during his final press club speech, when quizzed over the viability of his flagship policy.

"The AMA haven't always been great fans of the whole concept of Medicare. That's the truth. So we're not shocked that occasionally not every doctor comes on board there. But the reason why we are so confident is because this is not some academic exercise," Mr Albanese said in Canberra on Wednesday.

"The modelling that we've done shows that it will be in their interests to have fully bulk-billed services throughout the country.

"What we've got is a 2030 target of achieving (90 per cent bulk billing)."

When pressed, he refused to say what percentage of services would be bulk billed by 2028, a question posed to provide insight into the opaque modelling used by Labor, which gives little indication of the pace at which Australia would achieve the promised 90 per cent uptake by 2030.

## AMA committed to Medicare

AMA president Danielle McMullen rejected Mr Albanese's rebuke.

"We have demonstrated our commitment to Medicare as a really critical part of our healthcare system for as long as I can remember," Dr McMullen said.

"We are firmly committed to making Medicare as good as it can be, we do think that more reforms are needed, and neither side of politics has put the policy out (to do that).

"We will continue to work with whoever is successful on the weekend to get the changes we need to improve Medicare, while also working with the department and with the profession to hold them to account on their policy announcements and try to make them as successful as they can be."

The bipartisan push to increase bulk billing to 90 per cent of all GP consultations forms a centrepiece of the Albanese government's pitch to voters to be re-elected, and the policy has been matched by the Coalition.

Current triple incentives to individual GPs to bulk bill patients will be made available to all patients, and practices that bulk bill all patients will get an additional 12.5 per cent boost to incentive payments, lifting the Medicare payment to doctors in fully bulking-billing urban practices from \$42.85 for consultations lasting under 20 minutes to \$69.56.

The incentive payments rise higher according to the remoteness of the clinic.

The Prime Minister's \$8.5bn campaign pitch on bulk billing is "all you should need to see a doctor for free in Australia is your Medicare card ... not your credit card".

The policy is underpinned by federal health department modelling that has calculated that about 4800 practices will be in a better financial position if they adopt full bulk billing – meaning they will receive more in Medicare payments than they currently receive in patient fees.

## Earnings gap

A fact sheet issued by the department says there is an approximate \$45,000 gap currently in annual earnings between a GP with average rates of bulk billing and a GP that bulk bills every visit.

If the Albanese government's Bulk Billing Practice Incentive Program is introduced after November 1, it is predicted that total annual billings collected by participating practices will rise by \$7653 a year.

The modelling also predicts that annual GP earnings at a fully bulk-billing practice will rise to \$403,805 a year at a metropolitan surgery.

That is on the basis of a GP working five days a week, servicing four patients an hour for 3.8-hour sessions a day, taking four weeks annual leave a year and retaining 70 per cent of billings while passing 30 per cent to the practice.

Federal Health Minister Mark Butler said the modelling was based on the earnings calculator provided by General Practice Registrars Australia and about three-quarters of practices would be better off after November 1.

Ms Grace said the kind of work practice assumed by the federal modelling was not the norm. "I would not think that would be a majority of practitioners," she said.

"The modelling demonstrates the time the practitioner spends with the patient. But where is all the other time?

"Where's all the administration time – that's the big piece that seems to be missing.

"When was the last time you went to a doctor and you were in on time and every patient out within 15 or 20 minutes?

"Also you've got a lot of practitioners who might be working across two or three practices. How do you make all of those doctors decide in one practice to bulk bill every patient? I think it's a nice idea, but I just don't think it's going to happen.

"I don't think the modelling has been done at the level of complexity that it needs for the policy to really be effective.

"The modelling is not clear enough, it's been done very quickly and put out very quickly during an election."

## 'Significant transparency gaps'

Specialist medical accountant David Dahm said the Medicare splurge was riven with "significant transparency gaps" and assumptions of costs on practice owners that were "dangerously oversimplified", while lying at the mercy of rapidly changing payroll tax laws that were not regarded in costings.

Mr Dahm argued the government had disregarded the impact of emerging payroll taxes that GPs had become subject to in varying degrees across jurisdictions since 2023.

His scalable model, built on confidentialised client data, factored in these costs and projected operating profit margins would decline by a net 3.8 per cent.

In March 2023, a NSW Court of Appeal decision led to a wave of tax enforcement on clinics whose GPs were classified as contractors yet operated as employees. Retrospective tax bills ranging into the hundreds of thousands of dollars threatened the viability of the primary care system at an all-time ebb in bulk-billing coverage.

While numerous jurisdictions have since moved to offer a tax amnesty, an ongoing Court of Appeal trial regarding the employee classifications of gig economy workers is likely to affect future enforcement.

"This may cripple many practices, even large corporations that are operating on thin margins," Mr Dahm said.

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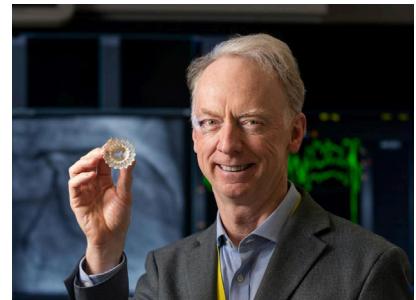
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