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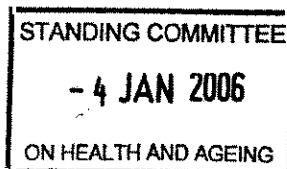
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AMA

05/40

12 December 2005



The Hon Alex Somlyay MP
Chairman
House of Representatives Standing Committee on Health and Ageing
Parliament House
CANBERRA ACT 2600

Dear Mr Somlyay

AMA Priorities for Mental Health Funding

Following our appearance before your inquiry into health funding, you asked for a copy of the AMA's submission to the Senate Community Affairs References Committee Inquiry into Mental Health. I am attaching a copy of the AMA submission as requested. The document is comprehensive and was worked up with assistance from mental health consumer groups as well as medical organisations.

You said that this matter was constantly raised at Coalition Party room meetings and in addition to the complex long term reforms that were necessary, some smaller more immediate reforms could be useful. With those comments in mind, the AMA proposes three concrete initiatives for improving mental health services that could be implemented immediately for maximum effect. The three initiatives are:

1. Increased private psychiatrist rebates for patients
2. New item numbers for accredited allied health professionals in a secondary care model, under the direction and supervision of a psychiatrist.
3. Improved remuneration for consultations with carers

There are two significant benefits to be obtained from these three initiatives. The first is the advantage to patients from doctors and allied health professionals working together in a secondary team based model of care. Both psychiatrists and allied health professionals support this model, which is underpinned by adequate clinical supervision by the psychiatrist. The second is that these initiatives will benefit the most financially disadvantaged patients and will take much of the heat away from the public sector and reduce it to a more manageable level.

Further details of these reforms are contained in the Attachment. It is vital to maintain and enhance the private psychiatric workforce and to assist it to co-ordinate the work of other health professionals in delivering services to the mentally ill.

These reform initiatives support the recommendations in the Strategic Planning Group for Private Psychiatric Services (SPGPPS) Innovative Models Working Group (IMWG) interim draft discussion paper titled *The Assessment of Models of Funding Service Delivery for Private Psychiatric Services September 2005* submitted to the inquiry for consideration when the SPGPPS appears before the inquiry in the New Year.

The AMA strongly endorses the importance of the private mental health services sector and believes the Government should support that sector with targeted strategies and innovative funding ideas. The private mental health sector has a proven record of delivering effective and cost-efficient services and positive outcomes for patients. It can respond quickly to Government initiatives to improve services on the ground.

It delivers excellent services to 300,000 Australians each year at a cost of around \$400M despite significant constraints placed on it by the Federal Government and health insurance funds. This compares to 160,000 Australians at a cost of \$1,700M in the public sector.

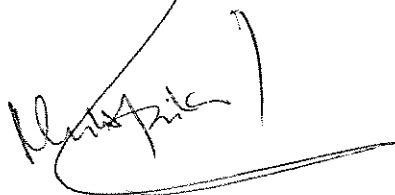
The AMA would like to encourage further debate around the options it has proposed and those in the SPGPPS paper, and would welcome the opportunity to provide input into this discussion when it occurs.

It is widely acknowledged that mental health reform is a national priority, that there needs to be a real and sustained increase in mental health funding to match services to the burden of disease, and that immediate steps need to be taken to strengthen the mental health care workforce.

We have focussed on three private sector initiatives here because we believe these can be achieved quickly and results can flow quickly. In the full submission, we give consideration to all the public sector reform issues which are very essential but not achieved so quickly.

The AMA appreciates the Committee's interest and we look forward to progress in this area.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mukesh Haikerwal', written over a large, stylized flourish that loops around the text.

Dr Mukesh Haikerwal
President

AMA Priorities for Mental Health Funding

1. Increased private psychiatrist rebates for patients

It should be understood that many patients suffering from psychiatric illnesses, especially those that suffer from ongoing illnesses, are quite financially disadvantaged. It is strongly recommended that patient rebates for private psychiatry services be increased, so that the burden to financially disadvantaged patients seeking treatment in the private sector can be alleviated.

By comparison, the provision of treatment by private psychiatrists is much less expensive than public mental health care services, particularly to government, and it would make sense to increase patient rebates to match appropriate fees charged by that speciality, and which could easily be justified by the outcomes from the Relative Value Study (RVS).

For example, a 50% increase in rebates at an estimated recurrent cost of \$100M would encourage the greater provision of private psychiatric services to the mentally ill, and contribute to the long-term stability and retention of the workforce. This initiative would provide an incentive for medical professionals to enter psychiatric training, and would begin to address the current serious shortage of suitable medical professionals enrolled in psychiatric training.

2. New item numbers for accredited allied health professionals

It is recommended that Commonwealth Medical Benefits Schedule (CMBS) item numbers be made available under limited circumstances, for consultations provided by accredited allied health professionals under the direction and supervision of a psychiatrist, in a secondary care model.

Private psychiatrists working in collaboration with accredited allied health professionals could manage an additional 300,000 more patients in the community each year at an estimated cost of between \$100M to \$150M per annum.

While the psychiatrist would remain professionally in charge of the patients, this initiative would assist in addressing the unmet need for mental health interventions in the community.

3. Improved remuneration for consultations with carers

There is a real need to facilitate the involvement of carers in the treatment process, and to provide support and education to relatives and carers of those suffering a mental illness. An immediate review should occur of the item numbers for psychiatrist services to carers of patients being treated under the CMBS for mental illness to allow longer and better-remunerated consultations with carers that make possible the inclusion of the carers in the therapeutic process.

The limited time scales of the items currently available and inadequate remuneration for the psychiatrist, means that it is often easier to combine carer and patient consultations, discouraging the possibility of more intensive education for relatives and carers of those suffering a mental illness. Improved remuneration for the psychiatrist involved would assist in the delivery of a holistic approach to care, and provide for an important component of patient treatment.