



SHIRE *of* **DANDARAGAN**

MINUTES

of the

SPECIAL COUNCIL MEETING

held at the

COUNCIL CHAMBERS, JURIEN BAY

on

THURSDAY 9 MARCH 2023

COMMENCING AT 9.00AM

(THIS DOCUMENT IS AVAILABLE IN LARGER PRINT ON REQUEST)

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| MINUTES FOR SPECIAL COUNCIL MEETING HELD THURSDAY 9 MARCH 2023 |
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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

1.1 DECLARATION OF OPENING

The presiding member declared the meeting open at 9.00am and welcomed those present.

1.2 DISCLAIMER READING

The disclaimer was read aloud as there were 4 members of the public present.

"No responsibility whatsoever is implied or accepted by the Shire of Dandaragan for any act, omission or statement or intimation occurring during this meeting.

It is strongly advised that persons do not act on what is heard at this meeting and should only rely on written confirmation of Council's decision, which will be provided within fourteen (14) days of this meeting."

2 RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

Members

| | |
|------------------------|--------------------|
| Councillor L Holmes | (President) |
| Councillor P Scharf | (Deputy President) |
| Councillor A Eyre | |
| Councillor R Glasfurd | |
| Councillor M McDonald | |
| Councillor R Rybarczyk | |

Staff

| | |
|---------------|------------------------------------------|
| Mr B Bailey | (Chief Executive Officer) |
| Mr L Fouché | (Executive Manager Development Services) |
| Mrs N Winsloe | (Executive Secretary) |

Apologies

Councillor W Gibson
Councillor R Shanhun
Councillor J Clarke

Approved Leave of Absence

Nil

Observers

Ms J Triffit, Ms M Gazeley, Mrs J Rouse, Ms R Sutton

3 PUBLIC QUESTION TIME

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Ms J Triffit asked the question as to why the medical services provider had not requested this amendment 5 months ago when the contract was renewed.

Shire President Cr Holmes addressed this by advising Council also had the same question of Spectrum Health however the medical services industry was constantly evolving and that mixed billing was being introduced a many other practices throughout the state.

The Chief Executive Officer also responded by advising that Spectrum Health was also responding to the resignation of a doctor and noted that the current availability of GP's throughout the state and international sources was very low.

Ms J Triffit expressed concern regarding she had spoken to several people regarding this Special Council Meeting and said several people were unaware of this meeting. She asked why it was such short notice and no publications like surveys.

The Chief Executive Officer responded in saying that the Shire makes its best attempts to get the information out to as many people as possible in a timely manner. In this case the Shire has used local noticeboards, social media, the Shire website and provided copies of the agenda at the Jurien Bay Medical Centre.

Ms M Gazeley asked if this proposed mixed billing model goes ahead and there are less people attending the clinic, could this mean that the community loses a doctor.

The Chief Executive Officer responded that the Shire's contract with Spectrum Health states that they must provide at least 2 doctors for 5½ days per week.

4 PURPOSE OF THE MEETING

The purpose of the meeting is for Council to consider a request from Spectrum Health Pty Ltd who are the operators of the Jurien Bay Medical Centre to introduce "Mixed-Billing" via an amendment to their contract with the Shire of Dandaragan for the Provision of Medical Services to Jurien Bay.

5 ORDER OF BUSINESS

5.1 GOVERNANCE & ADMINISTRATION

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5.1.1 MEDICAL SERVICES CONTRACT – SPECTRUM HEALTH PTY LTD

| | |
|-------------------------|-------------------------------------------------------------|
| Location: | Shire of Dandaragan |
| Applicant: | Not Applicable |
| Folder Path: | Office of the CEO / Legal / Agreements / Service Agreements |
| Disclosure of Interest: | Nil |
| Date: | 9 March 2023 |
| Author: | Brent Bailey, Chief Executive Officer |
| Senior Officer: | Not Applicable |

PROPOSAL

The purpose of this report is for Council to consider a request from Spectrum Health Group Pty Ltd to consider a variation to the “Contract for the Provision of Medical Services to Jurien Bay”.

BACKGROUND

In November 2017, the Shire commenced a contract with Spectrum Health Group Pty Ltd (Spectrum Health) to provide General Practice services located in Jurien Bay. This contract was extended in October 2022 for a period of 5 years. Currently the contract requires Spectrum Health to provide 2 General Practitioners (GPs). The community has benefited recently from the services of 3 GPs however Dr Katia de Almeida has recently tendered her resignation.

At the annual contract review meeting held in February 2023, Spectrum Health has requested that Council consider an amendment to the contract to allow the practice to change their billing methodology from a fully “bulk-billed” service, to a “mixed-billing” service.

In justifying the need for an amendment to the contract and the imposition of out of pocket costs for certain customers, Spectrum Health have provided the following supporting information:

- There has been a nationwide trend of transitioning to mixed-billing that has occurred over recent years in response to a freezing of the Medicare rebate era and a growing cost base for GP clinics.
- There is a significant shortage of GP’s throughout the country and mixed-billing arrangements provide more lucrative recruitment and retention opportunities.
- Other regional localities are offering significant financial incentives to retain GP’s which is further impacting recruitment and retention of qualified GP’s.
- Increasing the profitability of a GP practice assists with the stability and retention of GP’s within the community.

Under the proposed mixed-billing arrangement, the following patient classes would continue to be bulk-billed:

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1. Children under the age of 16 years old;
2. Pension Card holders;
3. Health Care card holders;
4. Department of Veterans Affairs Gold card holders;
5. Patients with chronic diseases as recognised by the Australian Institute of Health and Welfare;
6. Patients requiring health assessments;
7. Patients returning for continuing reviews or follow-up appointments for an ongoing condition; and
8. Patients presenting for Commonwealth or State funded vaccinations.

The following table provides an overview of the proposed billing schedule:

| Consultation Fees | | | | | |
|------------------------------------------------------------------------|---------|---------|-------------|-----------------|---------------|
| IN HOURS | | | | | |
| General Practitioner | Item No | | Private Fee | Medicare Rebate | Out of Pocket |
| | 3 | Level A | \$37.00 | \$18.20 | \$18.80 |
| | 23 | Level B | \$65.00 | \$39.75 | \$25.25 |
| | 36 | Level C | \$110.00 | \$76.95 | \$33.05 |
| | 44 | Level D | \$150.00 | \$113.30 | \$36.70 |
| OUT OF HOURS (Saturday 1pm onwards, Sunday ALL DAY, PUBLIC HOLIDAY) | | | | | |
| General Practitioner | Item No | | Private Fee | Medicare Rebate | Out of Pocket |
| | 5020 | Level B | \$77.05 | \$51.80 | \$25.25 |
| | 5040 | Level C | \$121.85 | \$88.80 | \$33.05 |
| TELEHEALTH | | | | | |
| General Practitioner | Item No | | Private Fee | Medicare Rebate | Out of Pocket |
| | 91891 | Level B | \$65.00 | \$39.75 | \$25.25 |

COMMENT

Currently, Council has a legally enforceable contract with Spectrum Health to continue to provide medical services under a bulk billing arrangement. Specifically KPI (3) states:

"All patients are to be "bulk-billed" for as long as Medicare provides the opportunity to do so".

Council therefore has the discretion as to whether to approve or decline the contract variation request.

In considering the merits of the request on behalf of the community the following table provides an overview of the pros and cons of mixed billing:

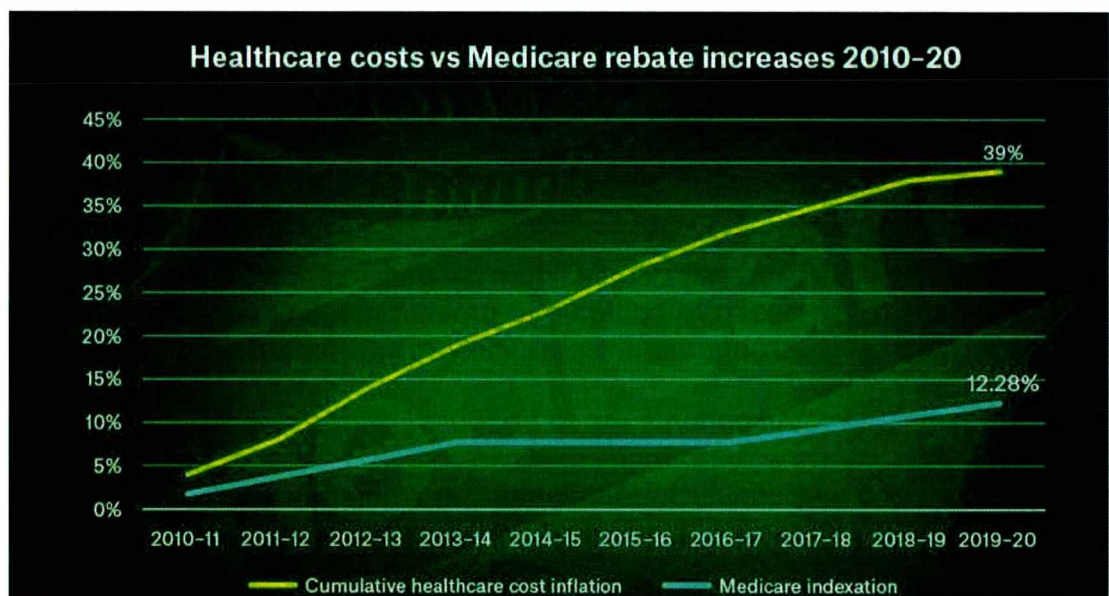
| Pros for Mixed Billing | Cons for Mixed Billing |
|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Increased incentives for GPs can improve attraction and retention reducing the significant impacts of GP vacancies and turnover. | Patients are more likely to visit GPs 2 or 3 times per year rather than regular comprehensive visits and Patients are less likely to come back for further investigation of symptoms due to costs |
| GPs can feel more appreciated for their work | Reputational impacts for Council for altering the contract and imposing new costs on segments of the community. |
| GPs have increased financial freedom to spend longer with patients | Patients are likely to come with a list of multiple items per consultation |

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| | |
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| By spending longer with patients GP's have increased ability to get to know patients on a personal level | Patients may be less likely to come back for further investigation of symptoms |
| Increased viability/profitability of medical practice assists with GP tenure and business continuity. | Practices may be less likely to get "walk-in" patients |
| Transitioning to a mixed-billing demonstrates a user-pays means of supporting the practice, compared to other regional models where Shires providing additional financial incentives from the broader rate-base. | Increased financial impact on local residents adding to current cost of living pressures (particularly in demographics already underrepresented within the Shire). |
| Increased out of pocket costs may contribute to a decline in demand improving availability and wait times for patients. | Limited local options for GP services may see local residents pursue bulk-billing providers elsewhere. |
| | There may be spill-over demand effects to the local Jurien Bay Health Centre which is not resourced at all shifts to provide primary care. |

Additional information sources: Rural Health West, Alecto Australia

The following graph obtained from the Joint Submission to the "Inquiry into the provision of General Practitioner and related primary health services to outer metropolitan, rural, and regional Australians" from WA Primary Health Alliance and Rural Health West confirms the change in the General Practice industry's cost and revenue structures over the past decade which is referred to as a key driver for the request to mixed-billing.



The issue of practice profitability and GP funding is also captured in the "General Practice, Health of the Nation 2022" report. While the report is authored by The Royal Australian College of General Practitioners 2022 which is the industry's peak body with inherent bias which should be accounted for, the arguments presented about the decline in real funding and rising costs and workloads for GPs correlate with the case being presented before Council. Some of the key observations from this report are as follows:

- Only 13.8% of future doctors are choosing general practice as their career.

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- Only 3% of GPs stated that the current Medicare rebate is sufficient to cover the cost of care.
- When asked about the current fee GPs charge (patient rebate plus out-of-pocket cost) for a level B consultation, 69% identified it was too low. GPs with relatively higher fees were far more likely to state that their fee accurately reflected fair remuneration for providing the service.
- This year (2022) 70% of practice owners have indicated they are concerned about the ongoing viability of their practice, an increase from 54% in 2021.
- With the existing challenges of being a GP now compounded by the pressures of COVID-19 and other recent natural disasters, the proportion of GPs considering imminent retirement has increased significantly in 2022. One-quarter of those who responded to the survey stated that they plan to retire within the next five years, an increase from 18% in 2021. In real numbers, that is more than 7500 GPs. This will worsen already worrying workforce projections that predict a deficit of 11,517 GPs by 2032.

Access to the report is available electronically here:
<https://www.racgp.org.au/general-practice-health-of-the-nation-2022>

Access to quality health services is one of the community's primary concerns which has been evident across recent public consultation and community feedback projects. Currently according to the recent community survey, around 75% of community members are satisfied with the level of access to health and community services which has been influenced by the availability of 3 GPs at the Jurien Bay Medical Practice.

Ultimately in considering this request, Council is being asked to determine whether there will be greater community benefit in supporting the proposed mixed-billing practice arrangement or retaining the existing bulk-billing arrangement. The officer's recommendation draws on current industry trends, the recent resignation of the local female doctor and an understanding of the difficulty in attracting and retaining GPs in regional areas. Each of these elements pose a material risk to ongoing continuity and stability of access to GP services for the community. Unfortunately there is no guarantee that the transition to mixed billing will deliver longer term stability and continuity of service and if this doesn't eventuate additional costs will be borne by segments of the community with limited or no associated benefit. The officer's recommendation has also embedded protections to provide limitations to additional changes to the billing scope without further Council consultation.

In deliberating this decision, if Council forms the opinion that the retention of bulk-billing for all categories of patients has the greater

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community benefit, the contract with Spectrum Health remains legally enforceable and the request should be refused.

CONSULTATION

WA Country Health Service

STATUTORY ENVIRONMENT

There is no statutory environment relevant to this item.

POLICY IMPLICATIONS

There is no policy implications relevant to this item.

FINANCIAL IMPLICATIONS

At present Council provides financial incentives to Spectrum Health associated with the rent-free provision of a maintained building for the medical practice. No additional direct, ongoing financial subsidies are provided.

STRATEGIC IMPLICATIONS

Strategic Community Plan – Envision 2029

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|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 04 - Community | The Shire's resident population will be the fastest growing population in the region supported by increased community recreation and cultural opportunities and access to key livability factors such as health and wellbeing services and educational opportunities. |
| Priority Outcome | Our role |
| A safe, healthy, smart and active community that values its history and supports intergenerational relationships | Advocate for continued improvements in medical, education and support services from other levels of government and the private sector the facilitates aging, living and learning within the Shire |

ATTACHMENTS

Circulated with the agenda are the following items relevant to this report:

- Letter from Spectrum Health Group Pty Ltd
- Contract for the Provision of Medical Services to Jurien Bay (CONFIDENTIAL) (Doc Id: SODR-1540645505-696)
- Joint Submission: WA Primary Health Alliance and Rural Health West "Inquiry into the provision of General Practitioner and related primary health services to outer metropolitan, rural, and regional Australians" (Doc Id: SODR-1792953452-2371)

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION / COUNCIL DECISION

Moved Cr Scharf, seconded Cr Glasfurd

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That Council authorises the Chief Executive Officer to amend KPI (3) of the Contract for the Provision of Medical Services to Jurien Bay to state:

“The following categories of patients are to be “bulk-billed” for as long as Medicare provides the opportunity to do so:

1. Children under the age of 16 years old;
2. Pension Card holders;
3. Health Care card holders;
4. Department of Veterans Affairs Gold card holders;
5. Patients with chronic diseases as recognised by the Australian Institute of Health and Welfare;
6. Patients requiring health assessments;
7. Patients returning for continuing reviews or follow-up appointments for an ongoing condition; and
8. Patients presenting for Commonwealth or State funded vaccinations.

Subject to adherence with the following consultation fees schedule of which any annual out of pocket expenses increases are capped according to the Australian Bureau of Statistics All Groups Consumer Price Index (CPI), Annual Percentage Change for Perth for the quarter immediately preceding the anniversary of the Contract.

| Consultation Fees | | | | | |
|------------------------------------------------------------------------|---------|---------|-------------|-----------------|---------------|
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CARRIED 5 / 1

During the debate Cr Eyre foreshadowed that she would move the following motion if the motion under debate was defeated:

"That Council defer this decision until the March Ordinary Council meeting and instruct the CEO to negotiate further with Spectrum Health Pty Ltd to maintain the schedule of treatment room charges at the current levels."

As the motion was carried the foreshadowed motion was not presented.

MINUTES FOR SPECIAL COUNCIL MEETING HELD THURSDAY 9 MARCH 2023**6 CLOSURE OF MEETING**

The presiding member declared the meeting closed at 9.17am.

These minutes were confirmed at a meeting on 23 March 2023.....

Signed .....

Presiding person at the meeting at which the minutes were confirmed

Date 23 March 2023.....