



AUSTRALIAN MEDICAL ASSOCIATION
(SOUTH AUSTRALIA) INC.
ABN 91 028 693 268

2021 LHN CONTRACT NEGOTIATIONS RESET

MEMBER UPDATE No. 5

16 June 2021

CHANGE TO MEDICAL INDEMNITY GRANT PROCESS

Welcome to the fifth edition of this *Member Update*.

We have promised to keep you informed via this *Update* about progress towards a replacement agreement with the Local Health Networks (LHNs) through our discussions with the Department for Health and Wellbeing's (DHW) Rural Support Services (RSS).

This Update 5 reports on the RDA(SA) and AMA(SA) consultations and engagements with RSS and MIGA during last week.

Over the long weekend we contacted a number of GP proceduralists to gain a 'snap-shot' of the on-the-ground effect of RSS's unilateral decision to make changes to your medical indemnity package.

If your experience of grant application, RSS contact availability or speed of reimbursement falls short of your expectations, make sure you tell us.

Our actions last week

On 7 June 2021, rural GPs providing in-patient services received advice from RSS that caused consternation and confusion. The 10 June 2021 RSS email clarification was a result of advice to RSS from the RDASA and AMASA.

We have acted because members' feedback made it clear that upfront premium payment was financially untenable, that there was no confidence that the contract requirement for 'prompt' reimbursement would actually occur, and that the change is a big step that needs careful management. These issues have informed our discussions with RSS.

We have confirmed that RSS will guarantee that one of its officers has been removed from normal duties to be exclusively dedicated to serving affected GPs in smoothing administration and understanding about this change. Contact the RSS on 08 8226 7353 or at andrew.towsty@sa.gov.au.

2451-Rural doctor negotiation-Update-5_160621

Postal: PO Box 134 North Adelaide SA 5006
Phone: (08) 8361 0100

175 Fullarton Road, Dulwich SA 5065
Email: admin@amasa.org.au Web site: www.amasa.org.au

your AMA

your voice

your profession

The RSS changes

Our 12 March 2021 lodged contract claims predicted the prospect of changes to your indemnity arrangements. In the lead up to this just-announced unilateral RSS change we have been acting to ensure RSS applies our stated claim's principles related to indemnity, as below:

- 'maintenance of current arrangements
- no reduction in existing cover terms, and
- no additional costs to be passed on to GPs'.

The recently extended (for a second time) contract contains two possible variants about the provider of indemnity insurance and how grant applications/reimbursements are managed. The contract (Item 5., Grants and Incentives) does not bind RSS to a particular (current) arrangement for the life of the contract so it can make this change.

We have confirmed that the 8 June 2021 MIGA advice titled 'Changes to SA Govt Rural Grant's Process' is wrong in one important respect: GPs **do not** need to pay their indemnity 'up front' and then seek reimbursement. Your application, with proof of eligibility for the grant and documentation showing the premium amount due, is all that is required.

Specifically (referring to the contract item 5.1.1.2), RSS advice to you has in practice deleted the requirement for you to provide a receipt of payment with your grant application.

This change can be done lawfully because it is an improvement to the express minimum contract requirement. Obviously, it would be contrary to a GP's interests to object/seek to enforce that now not required rule because it would be to their own disadvantage.

RSS full package offer due 2 July 2021

We have accepted RSS's invitation to meet on Friday, 2 July 2021, to receive the RSS full package response to our claims. We are satisfied that the anticipated 'mid-June' RSS response will not occur because of unavoidable reasons that have arisen for them and us.

We commit to publish this *Member Update* regularly, to ensure members have contemporary understanding as to what the RSS response represents and what process we have undertaken to form a view. Look out for edition No.6 of the *Member Update*.

Please feel free to distribute this *Member Update* to interested colleagues and throughout your networks. The more everyone is informed, the stronger our mandate to achieve success.

If you are not a member, please consider joining, by visiting the RDASA and AMA(SA) websites.

We welcome your input and feedback. To provide comments, or for more information about the negotiations, please contact:

- RDASA: Dr Peter Rischbieth (Peter.Rischbieth@bridgeclinic.com.au) or Dr Scott Lewis (drscott@internode.on.net)
- AMA(SA): Immediate Past President Dr Chris Moy (chrismoy@optusnet.com.au) or Dr Samantha Mead (CEO@amasa.org.au or president@amasa.org.au).

We look forward to providing more information soon.

Yours sincerely



Dr Chris Moy
MB BS, FRACGP, FAMA, AMA(M)
Immediate Past President AMA(SA)



Dr Peter Rischbieth
President
RDASA