

Dear Member

The Board continue to feel both privileged and humbled that you have entrusted us to lead the organization that is Westgate Health Co-op (WHC) through these unprecedented times. At the same time, we are challenged by the complexities of healthcare and take very seriously our responsibilities for the well-being of this organisation. The Financials in the 2022 Annual Report will again reflect an organization, continuing in its current form, that is not sustainable. The number of GP clinics going into administration is a stark reminder of the seriousness of the situation and it is with reluctance and after much reflection the Board has made the decision to implement Mixed Billing on Monday, October 3<sup>rd</sup> 2022.

This means you will have out-of-pocket costs associated with your GP attendances / nursing services. Unfortunately, we are no longer able to sustain 100% bulk billing. The amount set by the Government in the Medicare rebate does not cover the cost of providing a high-quality medical service. Our fees reflect the time taken and the degree of complexity of each consultation.

We have done our very best to keep costs as low as possible so we can continue to be an accessible provider for our valued members. The Australian Medical Association (AMA) recommended rate for a consultation less than 20 minutes is \$84.00 (\$44.25 out-of-pocket). Under our new mixed billing policy, the out-of-pocket cost for a standard appointment for an adult non concessional member is \$33.25 and for a concessional card holder \$10.00 which is still considerably less than AMA recommendations.

Patients who are not members will be charged \$85.00 with an out-of-pocket cost of \$45.25.

**The following may provide some helpful information:**

**What is bulk billing?**

Bulk Billing means that the doctor is paid directly by Medicare on behalf of the patient. This means that the amount paid for each medical service is the amount set by the Australian Government, and there is no additional payment required.

**What is mixed billing?**

Mixed billing is a fee set by the practice to bridge the gap between what the government subsidies are and the costs of delivering care.

**What services will still be bulk billed?**

Bulk billing will still apply to: Health Assessments, Care Plans, Diabetes Risk Assessments and Medication Reviews.

**Who is eligible for a concession / reduced gap fee?**

A gap fee or out-of-pocket cost of \$10 for a Standard Consultation and \$15 for a Long Consultation will apply Monday to Friday for:

- Children under 16 years of age
- Concession Card Holders
- Pension Card Holders
- Defence Veteran Card Holders

**What is the eligibility criteria for membership and voting at the AGM?**

This remains unchanged. As per The Constitution, you are required to be a current financial member of WHC to vote at the AGM.

### **Will the introduction of mixed billing jeopardise the current charity and tax status of WHC?**

Our legal advice is that it will not affect our current status. *'The test of whether an entity is entitled to registration as a charity is whether it has a charitable purpose. The means of carrying out that purpose is not the issue. WHC is registered with the ACNC in the category of Public Benevolent Institution. That is, an institution that relieves the needs of people with illness. The objects of WHC will not change. Just the means.'* Murray Baird, Legal Practitioner - August 2022

### **What will distinguish WHC from other mixed billing clinics?**

- Any profits go back into the organisation, not to an owner or investors
- Members appoint directors to make decisions on their behalf and have an opportunity to appoint directors and express their opinions at the AGM and on an ongoing basis
- Our commitment to the local community eg Mental Health Forums
- Our commitment to providing affordable healthcare eg concessions / reduced gap fees
- Volunteer contribution – directors volunteer with no remuneration

### **Why is this change necessary?**

Our practice delivers a high level of patient medical care, which can include longer consultations. Unfortunately, these services are not fully covered by Medicare, and therefore we have had to introduce a mixed billing policy to our clinic. The Medicare rebates have not kept up with the cost of running a Medical Clinic with the result being that a number of clinics have closed. It is extremely challenging to recruit GPs when you are a 100% bulk billing clinic and we have appreciated your understanding when you have been unable to make an appointment to see a GP in a timely manner. It is our commitment to ensure that there continues to be a Westgate Health Co-op going forward.

### **How do I make my payment?**

Members will be required to pay the full fee at Reception on the day of your consultation. Your Medicare rebate (if applicable) will be processed back into your bank account within 24 hrs of payment. Full payment is a requirement by Medicare.

Payment can be made by: cash, eftpos or Credit Card (excluding American Express). All payments will be processed immediately after your consultation so please see reception staff before you leave. If you are making an electronic payment you will need to have the full fee amount in your account at the time of payment.

*For example:*

*If you have a standard consultation you will need to have \$73.00 in funds available at the time of processing. The Medicare rebate of \$39.75 will be processed instantly, leaving you with an out-of-pocket cost of \$33.25. It is a requirement by Medicare that the fee be paid in full with a refund being actioned. If you do not have the full fee amount available in funds, your electronic payment will not be able to be processed.*

### **What happens if I can't make my appointment?**

To enable us to offer your appointment to another patient in need, we require a minimum of 2 hours notice. If you are unable to provide this notice, there will be a fee of \$30 which will need to be paid prior to booking your next appointment.

### **Telehealth appointments**

Telehealth Consultations (available only to patients who have previously attended the practice in the past 12 months). If you test positive for COVID and are in need of a Telehealth Appointment **and have not been to the practice in the previous 12 months or your Medicare Card is no longer valid**, then you will be charged the full fee for your consultation.

### **Saturday Consultations**

Members will be notified when adequate doctor numbers enable us to recommence these consultations. The full gap fee / out of pocket cost will be applicable for all Saturday consultations.

### **Medicare Safety Net**

We would like to remind members about the Medicare Safety Net.

The Medicare Safety Net applies to anyone enrolled in Medicare. The Safety Net provides singles, couples, and families with a higher Medicare benefit once the threshold is reached.

Medicare keeps a tally of out-of-pocket payments during the calendar year and will notify you in writing when you get close to your threshold.

Singles are automatically registered. Couples and families will have to complete a Medicare Safety Net registration form to register and confirm who forms part of their family even if you are on the same Medicare card. If you're registered as a couple or family, medical costs are combined so that you're likely to reach your threshold sooner. You only need to register once.

For further information, follow the link: <https://www.servicesaustralia.gov.au/medicare-safety-nets>

### **How does this impact dental?**

Dental doesn't have a Medicare Rebate so the 10% discount still applies to Members for all dental services.

### **Is a cooperative the only appropriate structure for WHC?**

As per our legal advice: *'No. A cooperative is an association of people uniting to meet a common social or economic need through a jointly owned and democratically controlled enterprise. A non profit cooperative prevents private profit.'*

*Other similar community health organisations operate as companies limited by guarantee – that is, membership (as distinct from share based) company with a non profit clause in a constitution.*

*Although the cooperative structure is no longer "mainstream", there are often historical and deeply held convictions about the nature of a cooperative that make it a preferred structure for some members.*

*There is no imperative to change, but a change would simplify regulation into one national regulator (ACNC) rather than a State and a National regulator. It does not seem to me to be an urgent matter and may be best considered over a longer period.'* Murray Baird, Legal Practitioner - August 2022

**What happens if you think that WHC is no longer 'a fit' for your medical needs?**

We respect that you may make the decision that you no longer wish to be a member of Westgate Health Co-operative and having paid your 2023 membership, and on receiving written notification, your membership fee will be refunded pro rata.

Please send an email to [info@westgatehealth.coop](mailto:info@westgatehealth.coop) expressing your wish to have the balance of your membership refunded and paid into your nominated bank account. Requests for membership cancellation will not be taken after 30<sup>th</sup> October 2022.

**Please note:** we do not have the ability to provide a cash refund.

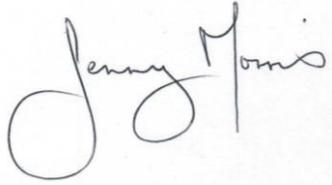
There will be an opportunity for Members to meet with Directors of the Board at 7pm on Thursday, September 1<sup>st</sup> at Westgate Baptist Community, 16 High St Yarraville to seek clarification and further discuss this development. Tea and coffee will be provided so it would be helpful if you could indicate your intention to attend by email to [info@westgatehealth.coop](mailto:info@westgatehealth.coop)

**Please see below for the new fee structure.**

<b>Non - Members (face to face and telehealth)</b>					
<b>GENERAL CONSULTATION FEE MEDICARE SUBSIDY GAP PAYMENT</b>	<b>Fee</b>	<b>Medicare Subsidy</b>	<b>Gap Payment</b>		
(Total out of pocket cost)					
Standard (10-15 minutes)	\$ 85.00	\$ 39.75	\$ 45.25		
Long (15-40 Minutes)	\$ 135.00	\$ 76.95	\$ 58.05		
Extra Long (more than 40 minutes)	\$ 180.00	\$ 110.50	\$ 69.50		
Telehealth > 6 min	\$ 85.00	\$ 39.75	\$ 45.25		
<b>Members Non- Consession Card holders (face to face and telehealth)</b>					
<b>GENERAL CONSULTATION FEE MEDICARE SUBSIDY GAP PAYMENT</b>	<b>Fee</b>	<b>Members Discount</b>	<b>Members Fee</b>	<b>Medicare Subsidy</b>	<b>Gap Payment</b>
(Total out of pocket cost)					
Standard (10-15 minutes)	\$ 85.00	\$ 12.00	\$ 73.00	\$ 39.75	\$ 33.25
Long (15-40 Minutes)	\$ 135.00	\$ 12.00	\$ 123.00	\$ 76.95	\$ 46.05
Extra Long (more than 40 minutes)	\$ 180.00	\$ 12.00	\$ 168.00	\$ 110.50	\$ 57.50
Telehealth > 6 min	\$ 85.00	\$ 12.00	\$ 73.00	\$ 39.75	\$ 33.25
<b>Children under 15</b>					
Standard (10-15 minutes)			\$ 49.75	\$ 39.75	\$ 10.00
Long (15-40 Minutes)			\$ 91.95	\$ 76.95	\$ 15.00
Extra Long (more than 40 minutes)			\$ 125.50	\$ 110.50	\$ 15.00
Telehealth > 6 min			\$ 49.75	\$ 39.75	\$ 10.00
<b>Members Consession Card holders Monday - Friday (not available after hours or Sat)</b>					
<b>GENERAL CONSULTATION FEE MEDICARE SUBSIDY GAP PAYMENT</b>	<b>Fee</b>	<b>Members Discount</b>	<b>Members Fee</b>	<b>Medicare Subsidy</b>	<b>Gap Payment</b>
(Total out of pocket cost)					
Standard (10-15 minutes)			\$ 49.75	\$ 39.75	\$ 10.00
Long (15-40 Minutes)			\$ 91.95	\$ 76.95	\$ 15.00
Extra Long (more than 40 minutes)			\$ 125.50	\$ 110.50	\$ 15.00
Telehealth > 6 min					
<p>It is a medicare requirement that for telehealth appointments you have seen a doctor face to face within the last 12 months. Patients who have not seen a doctor face to face have the option to pay privately with no medicare rebate.</p>					
<p>All payments will be processed immediately after your consultation so please see reception staff before you leave. Any outstanding payments mean that future appointments cannot be made. Our preferred payment method is eftpos or credit card (excluding American Express) so we can process your medicare refund on the spot. This means you will need to have the full fee amount in your bank account or credit card at the time of payment.</p>					
<p>Pensioners, Health Care Card holders and children under 16 – all consults are \$10/\$15 out of pocket with the exception of Health Assessments, Care Plans, Diabetes Risk Assessments which are bulk billed.</p>					

The Board appreciates your support for the need to implement these changes and, as always, will highly value your feedback. We continue to seek an appointment with Tim Watts – Federal Member (Tim.Watts.MP@aph.gov.au) to share our concerns regarding primary health care.

Kindest regards always

A handwritten signature in black ink that reads "Jenny Morris". The signature is written in a cursive style with a large initial 'J' and 'M'.

**Jenny Morris (Board Chairperson)**  
**on behalf of the Board of Westgate Health Co-operative**