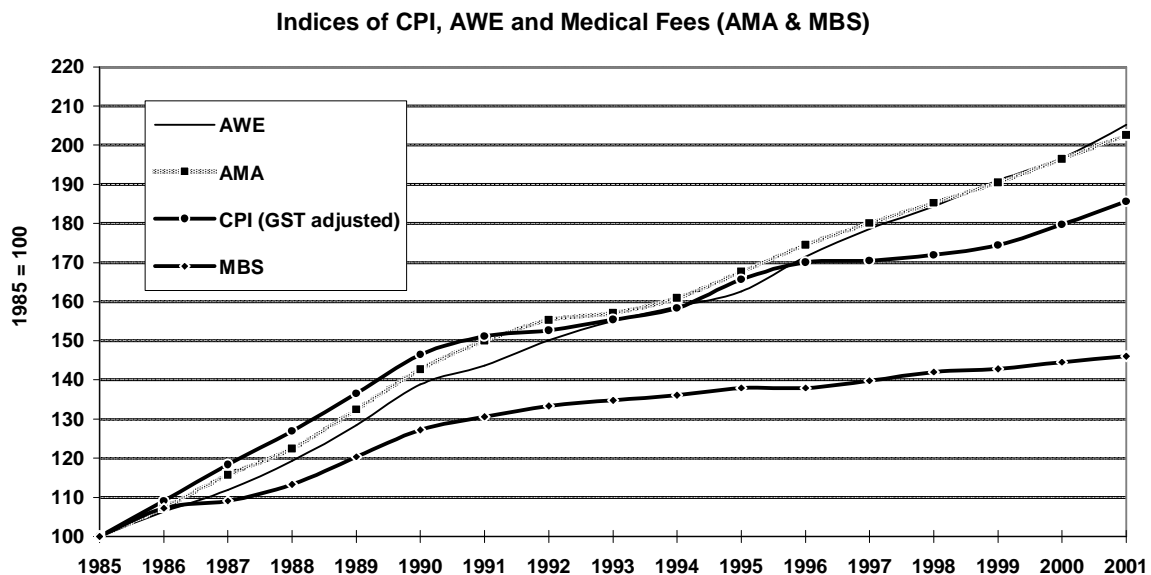


Specialist Fee's: Why is there a Gap?

- The provision of quality medical care and running a quality medical practice is not cheap.
- The AMA and doctors consider that referrals to specialists should be on the basis of the appropriateness of the specialist to treat the medical condition of the patient. The lowest price should not be the criterion for such an important decision.
- Decisions about what fees to charge are made by each medical practitioner - fees are not set by the Government.
- Under Medicare, the Government decides what level of rebate it will provide to patients to help them pay for medical services. The level of Government rebates has not kept up with inflation (or Average Weekly Earnings) over the years. Doctors running their private practices still have to pay the costs of running those practices (whatever the level of the rebate); and as doctors' costs have risen, the Gap has developed.

The real reason for gaps is the failure of Government to adequately increase the Medicare Rebate.



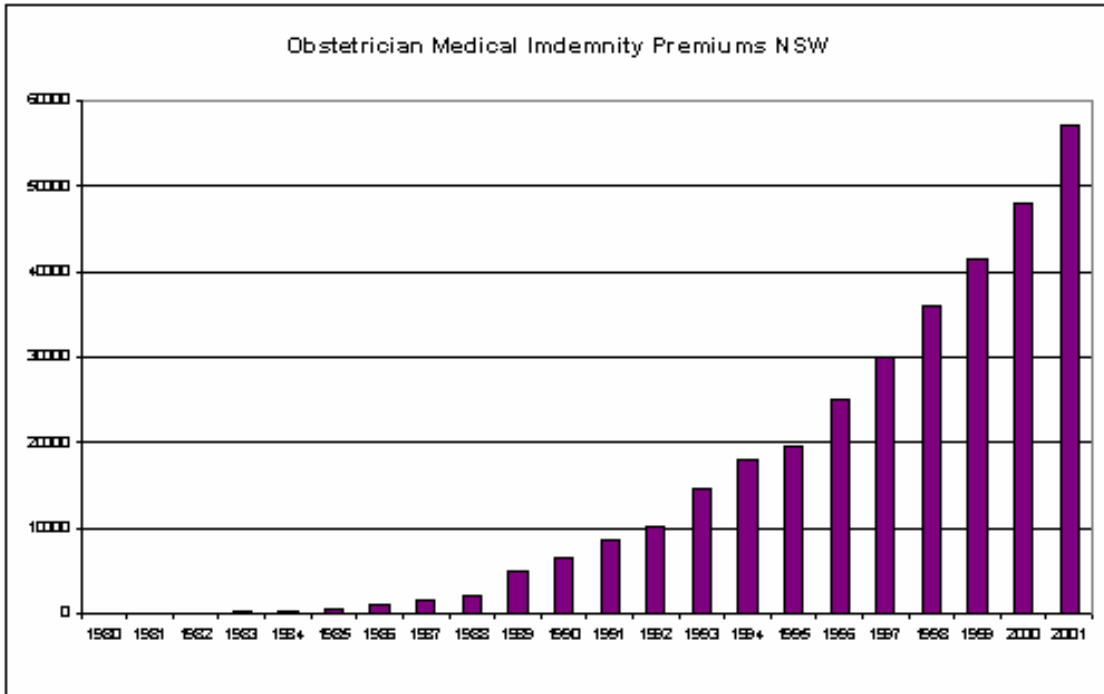
AWE - Average Weekly Earnings

AMA - Australian Medical Association fee (the fee the AMA considers appropriate for a medical service)

CPI - Consumer Price Index (the measure of inflation)

MBS - Medicare Benefits Schedule (the level of the Government rebate)

- Following the completion of the Relative Value Studies (conducted jointly by the Government and the AMA) in December 2000, which showed that Medicare is currently underfunded by \$1.5billion dollars, the Government has had a further opportunity to reduce gaps - but it has not taken this opportunity.
- The cost of medical indemnity insurance is sky-rocketing. In 2002 the annual fees increased to \$32 000 from approximately \$16 000. There is no such thing as a no claim discount or different levels within the same speciality.



- Each year the AMA publishes a list of fees that are considered appropriate remuneration for various procedures and consultations. Dr Clark's fees are discounted from these guidelines.
- During office hours a computerised quote can be generated based on the likely operative procedure (and therefore item numbers). Please contact the rooms on 3350 2088.