

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2012-2013, 30 & 31 May and 1 June 2012

Question: E12-350

OUTCOME 5: Primary Care

Topic: Medicare Locals

Type of Questions: Hansard Page: 24, 31 May 2012

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Senator: Senator Fierravanti-Wells

Question:

Can you explain in more detail the funding formula used for the core funding of Medicare Locals in response to my question E12-255 (Additional Estimates)? (*E12-255 Additional Estimates - Can you explain the funding formula used to determine the core funding to Medicare Locals based on the characteristics of each Medicare Local community in details?*)

Answer:

A total of \$493 million has been allocated over four years, from 2010-11 to 2013-14, to establish and operate Medicare Locals. A funding formula has been developed to distribute core funding across Medicare Locals to meet required governance arrangements, better integrate and coordinate local primary health care services, be more responsive to the needs and priorities of local communities, and deliver on the strategic objectives for Medicare Locals within each catchment area.

Consideration has been given to the relative cost differences associated with staffing and operating Medicare Locals across Australia, and the higher cost of travel in remote areas. To accommodate for relative differences in the characteristics of each Medicare Local catchment and population, funding has also been allocated on a weighted population approach that takes into account:

- health inequities for people living in rural and remote areas (as measured by the proportion of the Medicare Local catchment area which falls within Australian Standard Geography Classification – Remoteness Areas 3 (Outer Regional), 4 (Remote) or 5 (Very Remote));
- Aboriginal and Torres Strait Islander populations;
- overseas born with low English speaking proficiency;
- socio-economic status; and
- population age profiles.