

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2011-2012, 30/31 May 2011

Question: E11-450

OUTCOME 9: Private Health Insurance

Topic: PRIVATE HEALTH

Written Question on Notice

Senator Boyce asked:

How many new staff are anticipated to be employed in the public health system to meet the increased demand of people moving away from the private health system to the public system?

Answer:

Any second round impacts of the proposal, such as the impact on staff in the public health system, were not modelled in the Budget context, as per the Charter of Budget Honesty.

However, it is estimated that 27,000 people will drop private health insurance hospital cover, leading to approximately 8,500 additional public hospital admissions over two years. When considered against the fact that public hospitals have around 4.7 million admissions a year, this is unlikely to impact noticeably on jobs in the public health system.

In October 2008, the Medicare Levy Surcharge thresholds increased for single people from \$50,000 to \$70,000 per year and from \$100,000 to \$140,000 per year for couples or families.

The second-year independent *Review of the impact of the New Medicare Levy Surcharge Thresholds on public Hospitals* report – carried out by KPMG – covered the period to June 2009 for hospital separations and to March 2010 for elective surgery waiting lists. It found no significant impact on public hospital activity, operating costs or elective surgery waiting lists that could be attributed to changes in the thresholds.