

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2016 - 2017, 6 May 2016

Ref No: SQ16-000356

OUTCOME: 4 - Individual Health Benefits

Topic: MBS Indexation Freeze

Type of Question: Hansard Page 22, 6 May 2016

Senator: Di Natale, Richard

Question:

Senator DI NATALE: I see where that question was coming from. And that has effectively been extended.

Mr Stuart: It has been extended for specialists. Indexation was briefly reinstated for GPs, and that has then been recommenced in 2014-15. The last indexation for general practice was on 1 July 2014. The first indexation point that was skipped for GPs was 1 July 2015.

Senator DI NATALE: And we are now extending it until what date?

Mr Bowles: 2019-20. That is two years—2018-19 and 2019-20.

Senator DI NATALE: What is the total saving from the period it was first introduced in May 2013?

Mr Stuart: We do not have that in front of us.

Senator DI NATALE: Perhaps you could just tell us the projected savings in the budget papers.

Mr Bowles: In the budget papers it is about \$925 million for the two years 2018-19 and 2019-20.

Senator DI NATALE: And you cannot tell us—

Mr Bowles: We can take it on notice, but my recollection is that it is around \$1.3 billion.

Answer:

The total save to Medicare from all indexation measures from 2013-14 to 2019-20 is \$3.9 billion. This includes:

- \$925 million from the 2016-17 Budget - *Medicare Benefits Schedule - indexation pause measure*; and
- \$1.3 billion from the 2014-15 MYEFO - *A strong and sustainable Medicare measure*
- \$1 billion from the 2014-15 Budget - *Pausing indexation of some MBS fees and the Medicare Levy Surcharge and Private Health Insurance Rebate thresholds measure*; and
- \$665 million from the 2013-14 Budget - *Medicare Benefits Schedule - realigning indexation with the financial year measure*.