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**THE HON PETER DUTTON MP
MINISTER FOR HEALTH
MINISTER FOR SPORT**

Ref No: MC14-000707

Dr Dennis Jensen MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600

Dear Dr Jensen

Thank you for your correspondence of 2 January 2014 regarding the petition on increases to the rate of age pension and health care and aged care issues for pensioners. I apologise for the delay in responding.

I note you have also referred this petition to the Minister for Social Services, the Hon Kevin Andrews MP, who is the Minister with responsibility for the majority of elements contained within this petition. I am limiting my response to the question pertaining to the availability of health care for pensioners (question 2).

In 2012-13, a total of \$18.6 billion was paid in Medicare benefits (an increase of 5.3 per cent on 2011-12) for more than 343 million Medicare services (an increase of 3.4 per cent). This represents approximately 15 services and \$797 in benefits for every Australian.

The Australian Government provides a wide range of taxpayer funded health services, some of which particularly benefit pensioners. These include:

Medicare bulk billing services improves access to health services. All practitioners, who provide Medicare eligible services, have the facility to bulk bill patients.

In addition, the Government offers direct incentives for bulk billing specific to need groups, including Commonwealth Concession Card holders.

To encourage bulk billing, Medicare provides additional incentives to GPs who bulk bill cardholders. These payments are currently \$6.00 for GPs providing services in metropolitan areas and \$9.10 in regional, rural and remote areas and all of Tasmania. In the 2012-13, 86.6 per cent of all non-referred GP attendances were bulk billed in New South Wales. For concession cardholders, Medicare benefits covered more than 94 per cent of fees charged for services. More than 97 per cent of fees charged for GP services provided to people with a concession card were covered by Medicare benefits paid.

The Extended Medicare Safety Net (EMSN) provides an additional rebate for Australian families and singles, including pensioners, who have out-of-pocket costs for Medicare eligible out-of-hospital services once an annual threshold in out-of-pocket costs has been met.

There are two thresholds for the EMSN. These thresholds are indexed by the Consumer Price Index on 1 January each year. The 2014 annual EMSN thresholds are:

- \$624.10 for Commonwealth concession cardholders, including those with a Pensioner Concession Card, a Health Care Card or a Commonwealth Seniors Card, and people who are eligible for Family Tax Benefits (Part A); and
- \$1,248.70 for all other singles and families.

Out-of-hospital services include GP and specialist attendances, as well as many pathology and diagnostic imaging services. Once the relevant annual threshold has been met, Medicare will pay for 80 per cent of any future out-of-pocket costs for Medicare eligible out-of-hospital services for the remainder of the calendar year, except for a small number of services where an upper limit or 'EMSN benefit cap' applies.

States and territories are the current providers of public dental services which provide free or low-cost dental care to Pensioner Concession Card and Health Care Card holders.

The Australian Government is supporting continued funding to the states and territories for adult public dental services. The *National Partnership Agreement on Treating More Public Dental Patients* provides the states and territories with a total of \$344 million in funding over three years to provide services to public dental patients.

The Commonwealth funding will help holders of a Pensioner Concession Card to get treatment sooner.

The Office of Hearing Services, issues vouchers to eligible clients under the Australian Government Hearing Services Programme (the Programme), so they can access a range of hearing services. These services may include:

- a comprehensive hearing assessment performed by a hearing practitioner;
- access to a wide range of quality, free to client hearing devices;
- advice on how to achieve maximum benefit from a device if fitted;
- further support and hearing rehabilitation services, which can be accessed even if a hearing device is not suitable to the individual's hearing needs; and
- access to an optional annual maintenance agreement where, for a small fee, repairs and batteries are made available to support hearing devices.

All services delivered under the Programme are provided by hearing practitioners with appropriate skills.

All Pensioner Concession Card holders are entitled to apply for a Hearing Services Voucher which entitles them to a free hearing test if they are an Australian Citizen or permanent resident 21 years or older. Other people entitled to a voucher include those:

- receiving Sickness Allowance from Centrelink;
- holding a Gold Repatriation Health Card issued for all conditions;
- holding a White Repatriation Health Card issued for conditions that include hearing loss;
- dependents of a person in one of the above categories;
- who are members of the Australian Defence Force; or
- undergoing an Australian Government funded disability management services and referred by their disability employment services case manager.

The Australian Government appreciates the need to ensure all Australians have access to comprehensive and appropriate eye care. The Government also understands that eye care can be quite expensive, especially for pensioners and other people who are on a low income. To help patients with these costs, the Government provides a payment in the form of a Medicare rebate for a variety of optical services.

'Participating' optometrists who have signed a Common Form of Undertaking for Participating Optometrists with the Australian Government agree to not charge more than the Medicare Benefits Schedule fee for services covered by Medicare. The two exceptions are for comprehensive initial consultation within 24 months of a previous comprehensive initial consultation by another optometrist and for domiciliary visits.

The purpose of the Pharmaceutical Benefits Scheme (PBS) is to provide reliable, timely and affordable access to a wide range of medicines for all eligible Australians. Over 4,700 branded products are currently subsidised on the PBS, which cost the Australian Government approximately \$9 billion in 2012-13.

The PBS assists concessional patients, such as pensioners, to reduce their expenditure on medicines, through the co-payment arrangements. These arrangements offer substantial price subsidies for PBS medicines. A concessional patient need only pay \$6.00 for a PBS prescription in 2014, even though the medicine may cost hundreds or even thousands of dollars for each supply. The Australian Government uses taxpayers' funds to cover the remaining cost. Around 80 per cent of PBS subsidised prescriptions dispensed at community pharmacies are for concessional patients.

Further assistance is provided under the PBS safety net arrangements. When a concessional patient reaches the PBS safety net (\$360.00 in 2014), further PBS prescriptions are usually dispensed at no cost to the patient, for the remainder of the calendar year.

Some people choose to take out private health insurance to provide additional cover for a range of medical and ancillary services. This Government supports private health insurance as an important complement to our public health system.

The Government provides an income tested rebate to help people meet the costs of private health insurance. The Government provides a higher rebate to Australians over the age of 65, depending on their income.

Yours sincerely

06/03/14
PETER DUTTON