



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



Ref No: MC14-003353

Dr Dennis Jensen MP  
Chair  
Standing Committee on Petitions  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

Dear Chair

Thank you for your letter of 24 March 2014 regarding a petition from the National Union of Students, regarding the patient contribution payment for certain general practitioner (GP) services.

I acknowledge the issues raised in the petition, particularly in relation to the impact that the introduction of a patient contribution may have on undergraduate students.

The Government is determined to strengthen Medicare and to make our health system sustainable. This is particularly important given the ageing of our population and the costs of listing new medicines and public hospital funding at record levels.

In 2004 we were spending \$8 billion on Medicare, today the figure is \$19 billion and, without policy change, it is projected to climb to \$34 billion in ten years' time. That is an 80 per cent increase.

The Government has moved in the 2014-15 Budget to put health expenditure on a more sustainable footing, to ensure that Australia can continue to afford a strong Medicare system. From 1 July 2015, all patients will be asked to directly contribute to their own health care costs. While the Government will continue to subsidise a majority of the costs of Medicare services, the rebate for most GP and out-of-hospital pathology and diagnostic imaging services will be reduced by \$5.00.

Previously bulk-billed patients can expect to make a contribution of at least \$7.00 to the cost of most visits to the GP and for out-of-hospital pathology and diagnostic imaging services. Doctors will be paid a low gap incentive - equivalent to the current bulk-billing incentive - to encourage them to charge Commonwealth Concession Card holders and children under 16 years no more than the \$7.00 contribution for the first ten visits in a calendar year. After the patient contribution has been paid ten times, the Medicare rebate is increased by \$5.00 and the doctor will be paid an incentive if they provide the service to the concessional patient for free.

Savings from the Budget measure will be directed to the Medical Research Future Fund to ensure Australia can continue to advance world leading medical research projects, attract and retain first class researchers and ultimately deliver improved health outcomes for all Australians.

Thank you for bringing the concerns of the National Union of Students to my attention.

Yours sincerely

PETER DUTTON