

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2013-14, 5/6 & 7 June 2013

Question: E13-245

OUTCOME: 3 – Access to Medical Services

Topic: Pathology Payments

Type of Question: Written Question on Notice

Senator: Di Natale

Question:

- a) In answer to Senate Question 2662, the Minister revealed that two private pathology companies received more than \$1 billion in pathology benefits in 2010-11. One received just over \$604 million, the other just over \$508 million. Both companies will know who they are. Together these two companies account for almost two thirds of pathology benefits paid in that year. What are the names of those two companies?
- b) Is the Department working on any proposals to change the basis of pathology payment onto a commercial footing rather than an open-ended funding system with few drivers for efficiency?

Answer:

- a) The Department of Health and Ageing cannot name the two companies consistent with the requirements of Section 130 of the *Health Insurance Act 1973*.

Section 130 (1) states: A person shall not, directly or indirectly, except in the performance of his or her duties, or in the exercise of his or her powers or functions, under this Act or for the purpose of enabling a person to perform functions in relation to a medicare program or for the purposes of enabling a person to perform functions under the *Dental Benefits Act 2008*, the *Personally Controlled Electronic Health Records Act 2012* (whether as a delegate or otherwise) or the indemnity legislation, and while he or she is, or after he or she ceases to be, an officer, make a record of, or divulge or communicate to any person, any information with respect to the affairs of another person acquired by him or her in the performance of his or her duties, or in the exercise of his or her powers or functions, under this Act.

In addition, Section 130 (5) states: Nothing in the preceding provisions of this section prohibits the publication of statistics by the Commonwealth, by the Chief Executive Medicare or by the Commonwealth Statistician but such statistics shall not be published in a manner that enables the identification of an individual patient or an individual practitioner.

- b) One of the objectives of the 5-year Pathology Funding Agreement, which commenced in 2011, is to improve the fiscal sustainability of Government outlays on pathology. The Government works with the pathology sector, through the Pathology Agreement Advisory Committee, to promote value for money for pathology services. One of the mechanisms to achieve this is by agreeing to maximum outlays for expenditure each year of the Agreement and then negotiating actions to ensure these outlays targets are met.