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\$70m for Medicare Locals

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NEXT Tuesday's budget will contain \$70 million extra for the Gillard government's signature Medicare Locals scheme, which is undergoing a revamp of funding arrangements that has alarmed operators.

A spokesman for Health Minister Tanya Plibersek moved yesterday to quash speculation that some funding for Medicare Locals would be cut in the budget, declaring funding for the scheme would increase from about \$330m this financial year to more than \$400m next financial year -- an increase of more than 20 per cent.

The Department of Health has written to Medicare Locals detailing changes to funding deals with the government that would consolidate some programs.

The department said this would produce "a significant reduction in the volume of reporting required" by the Medicare Locals and promised further detail by next week.

Some Medicare Locals have expressed concern that flexible funding would be cut.

But a spokesman for Ms Plibersek told The Australian: "The new arrangements will mean from 1 July, 2013, there will be no distinction between core funding and flexible funding."