

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2014 - 2015, 2/3 June 2014

Ref No: SQ14-000428

OUTCOME: 3 - Access to Medical and Dental Services

Topic: GP Co-payment

Type of Question: Written Question on Notice

Senator: Madigan, John

Question:

How exactly is the co-payment system going to work in a practical sense?

Answer:

From 1 July 2015, Medicare rebates paid for certain GP services and out-of-hospital pathology and diagnostic imaging services will be reduced by \$5.00. Doctors will be able to seek a \$7.00 patient contribution for each of these services.

Low gap incentive payments will be paid to doctors who accept the Medicare rebate and only charge a concessional patient (ie. a Commonwealth Concession Card holder or child under 16 years) the \$7.00 patient contribution. After the concessional patient has paid the contribution ten times in a calendar year, the Medicare rebate will be increased by \$5.00 and the doctor will be paid a low gap incentive if they provide the 11th and subsequent services in the remainder of the calendar year to the concessional patient for free.

Low gap incentives will replace the current bulk billing incentives for services affected by the Budget measure only.

The Department of Human Services (DHS) will establish a process to monitor the status of concessional patients. DHS will be able to track how many times the patient has paid the \$7.00 contribution and can provide advice on this to patients and service providers on request, including through its usual electronic channels.