

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2014 - 2015, 2/3 June 2014

Ref No: SQ14-000485

OUTCOME: 5 - Primary Health Care

Topic: Medicare and Pharmaceutical Benefits Scheme Funding

Type of Question: Written Question on Notice

Senator: Xenophon, Nick

Question:

Given that Aboriginal people generally access Medicare and PBS funding at lower rates than the non-Aboriginal population of Australia, how does the Government calculate the total Medicare and PBS component of the projected \$920 million it claims will be spent on the provision of health programmes specifically for Aboriginal and Torres Strait Islander people?

Answer:

In 2014-15 more than \$920 million will be spent on the provision of health programmes specifically for Aboriginal and Torres Strait Islander people. This includes Medicare and access to pharmaceuticals through the Pharmaceutical Benefits Scheme (PBS).

The Medicare component of these projections takes Indigenous specific items on the Medicare Benefits Scheme (MBS) and forecasts services and expenditure using the MBS time series model. This model uses Holt-Winters exponential smoothing on the number of services per capita* per working day**. The forecast services are multiplied by average benefits per service indexed by WCI5***. This methodology is used consistently for all MBS related forecasts.

The PBS funding rate is forecast having regard to the growth rate and usage of services under the Remote Area Aboriginal Health Services Programme, and indicative allocations made on a yearly basis under the Quality Use of Medicines Maximised in Aboriginal and Torres Strait Islander Peoples Programme.

*Population is based on ABS estimated residential population

**Working days are based Medicare National working days (state weighted)

*** Wage Cost Index