

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Budget Estimates 2017 - 2018, 29 May 2017**

**Ref No:** SQ17-000527

**OUTCOME:** 0 - Whole of Portfolio

**Topic:** National Health Reform Working Group

**Type of Question:** Hansard Page 25, 29 May 2017

**Senator:** Di Natale, Richard

**Question:**

Senator DI NATALE: Where you detail 'hospital episode, indicative example', there is note 1: 'assumption that the hospital benefit is 35 per cent of the national efficient price'. Why did you select 35 per cent?

Mr Cormack: I will have to check the basis for that.

Senator DI NATALE: But that represents a reduction on what is currently spent.

Mr Cormack: Yes. I will have to check why that assumption was taken.

Senator DI NATALE: This is very significant because I asked you this question earlier and you said that there was not anything that indicated a reduction in the Commonwealth expenditure to our public hospital system. Yet you have given a presentation to this group with the assumption that Commonwealth spending would be reduced and set at 35 per cent.

Mr Bowles: I am sorry; that page is actually talking about private hospital episodes, and it talks about current and future being exactly the same.

Senator DI NATALE: I point you to note 1: 'assumption that the hospital benefit is 35 per cent of the national efficient price'.

Mr Bowles: In the context of the whole slide being private hospital episode indicative—

Senator DI NATALE: But that is still a reduction.

Mr Cormack: No, it is not. We do not pay private hospitals that way any more—

Senator DI NATALE: So why have you chosen 35 per cent?

Mr Cormack: I will have to check the underpinning assumptions of the model—

**Answer:**

Thirty-five per cent was an indicative figure used for the purpose of an example. None of the figures used in the indicative example are exact.