

## Senate Community Affairs Committee

### ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

#### HEALTH PORTFOLIO

#### Budget Estimates 2017 - 2018, 29 & 30 May 2017

Ref No: SQ17-001028

**OUTCOME:** 4 - Individual Health Benefits

**Topic:** MBS Review

**Type of Question:** Written Question on Notice

**Senator:** Di Natale, Richard

**Question:**

Answer to my QON number SQ17-000015 says that: The 2015-16 Budget provided \$34.3 million over two years for the Medicare Benefits Schedule (MBS) Review and the Medical Services Advisory Committee (MSAC) activity, comprising \$28.6 million in Administered funding and \$5.7 million in Departmental funding. As at 1 March 2017, total Administered expenditure for the MBS Review and MSAC was \$15.2 million. The MBS Review expenditure was \$8.2 million and the expenditure for the MSAC activity was \$7.0 million.

- a) What is the reason for that underspend?
- b) What's the status of the review?
- c) Has it found any savings?

**Answer:**

- a) In the 2015-16 financial year a total of \$17.037 million of both departmental and administered funding was paid for the Medicare Benefits Schedule (MBS) Review and Medical Services Advisory Committee (MSAC) and associated health technology assessment work. There was no underspend. The 2016-17 financial year is not yet complete. The Department of Health is expecting that expenditure will match the allocated budget, however, the Department notes that the MSAC process is demand driven.
- b) Since the Review commenced, there have been over 65 Clinical Committees and working groups established. There are over 440 clinicians, consumers and health system experts on these committees and working groups reviewing items. The MBS Review Taskforce has finalised its advice to the Minister on 232 MBS items. Of these, 26 were implemented through either deletions or amendments to items on 1 July 2016. The MBS Review Taskforce welcomes and encourages feedback from all consumers. Public consultation on draft recommendations relating to 6 further Clinical Committees commenced on 7 June and will close on 21 July 2017.
- c) In the 2016-17 Budget, the Australian Government agreed to recommendations from the MBS Review Taskforce that a number of MBS items were obsolete. The measure was implemented on 1 July 2016 and was estimates to save \$5.1 million from 2016-17 to 2019-20. Any changes to MBS items that result in savings will allow Government investment to be directed to the most effective, evidence-based services. There are no targets for savings attached to the review – it is about ensuring the right care in the right place at the right time, determined through a clinician-led process and open public consultation.