

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 19 October 2011

Question: E11-364

OUTCOME 3: Access to Medical Services

Topic: MEDICAL BENEFITS

Written Question on Notice

Senator Fierravanti-Wells asked:

The Minister stated in a report on 28 September this year regarding the safety net that “there are still some doctors who are charging excessive fees to take advantage of a program meant to help patients”.

- a) What proportion of doctors are charging excessive fees?
- b) Which specialty of doctors is charging excessive fees?
- c) What are they charging and what should they be charging?
- d) What ‘further steps’, as stated by the Minister in the article, are being considered?
- e) What additional areas may be capped?
- f) Will the Safety Net be retained for taxpayers who are not concession card holders?
- g) How much additionally needs to be saved to make the Safety Net ‘sustainable’?

Answer:

The Department is not aware of a report on 28 September this year in which the Minister stated “there are still some doctors who are charging excessive fees to take advantage of a program meant to help patients”. However, on 1 July 2011, the Minister for Health and Ageing issued a media release, *Medicare Safety Net has Become More Sustainable*, in which this statement was made.

a) to c)

Under Section 51 (xxiiiA) of the Constitution, the Government has no authority to control the amount doctors actually charge for their services and doctors are free to determine their own value of the health service they provide. The Department does not have a view on what fees doctors should be charging.

The Minister's comment, 'there are still some doctors who are charging excessive fees', was in response to the *Extended Medicare Safety Net: Review of Capping Arrangements Report 2011* (the Review) which was tabled in the Senate on 1 July 2011. The Review examined the fees charged for some services, particularly out-of-hospital services. The Review found, for example, that the 90th percentile fee for anaesthetics used in association with lens surgery (item 20142) increased by 400 per cent (from under \$500 to nearly \$2,000) for out-of-hospital services. Fees for in-hospital services remained stable for this anaesthetic item. The Review also found that substantial Extended Medicare Safety Net benefits are being paid for some major surgical procedures, such as medically necessary breast reduction, being billed as out of hospital services.

- d) The Department does not have a view on what further steps may be considered by Government.
- e) The *Health Insurance Act 1973* requires that any action to place or amend an Extended Medicare Safety Net benefit cap must be approved through both Houses of Parliament. The Department does not have a view on whether additional areas may be capped.
- f) The Department does not have a view on whether the Safety Net will be retained for taxpayers who are not concession card holders.
- g) The Department does not have a view on how much additionally needs to be saved to make the Safety Net sustainable.