Ms Jeanette Radcliffe
Secretary
Senate Standing Committee on Community Affairs
Parliament House
CANBERRA ACT 2066

Dear Ms Radcliffe

Correction of information to 2015 – 16 Supplementary Budget Estimates Hearing, 21 October 2015

I am writing to correct information that was provided to the Committee during its examination of the Department of Health in the 2015 – 16 Supplementary Budget Estimates hearing on 21 October 2015.

In answering a question from Senator McLucas, I said: "The freeze commenced in 2014-15 from 1 July 2014" (Hansard, Senate Community Affairs Legislation Committee, Estimates, Wednesday, 21 October 2015, Proof Copy, page 44.)

The indexation pause for general practitioners was announced under the *A Strong and Sustainable Medicare* package on 9 December 2014. Under the measure, the Medicare Benefits Schedule fee for GP services was not indexed on 1 July 2015 and will not be indexed on 1 July 2016 and 1 July 2017.

Yours sincerely

Mr Andrew Stuart
Deputy Secretary
Health Benefits
Department of Health
// November 2015

Senator McLUCAS: On a related matter, has the government modelled any—I have used that word again, haven't I? 'Modelled'. Have you analysed any change to bulk-billing rates as a result of the freeze?

Mr Stuart: At the moment the most recent bulk-billing data for general practice shows the bulk-billing rate still rising.

Senator McLUCAS: Still rising?

Mr Stuart: Still rising.

Senator McLUCAS: You would be aware of commentary in the media around people changing billing practices.

Mr Bowles: We had this conversation in May as well and, as Mr Stuart said, we still see no rise at the moment.

Senator McLUCAS: What is the most recent period of bulk-billing data that we have, Mr Stuart?

Mr Stuart: As at 1 July 2015 is the most recent, where the bulk-billing rate was 83 per cent, up from 82.2 per cent the previous year.

Senator McLUCAS: For the quarter? Sorry, is that a quarter?

Mr Bowles: It just says at that date. At that date, that was the rate.

Senator McLUCAS: All right.

Mr Stuart: I think I had better clarify, I believe the figure I have quoted is for the financial year for 2014-15 up to 1 July 2015. Sorry to contradict.

Senator McLUCAS: Okay, so 83 per cent over that year compared to 82.2 per cent in the whole year previous?

Mr Stuart: Yes.

Senator McLUCAS: So the freeze kicked in when?

Mr Bowles: The commentary around the freeze kicked in probably late last year. That is also what drives behaviour as well, the media stuff.

Mr Stuart: The freeze commenced in 2014-15 from1 July 2014.

Senator McLUCAS: So we have a full 12 months—

Mr Stuart: We have a year—

Senator McLUCAS: of data?

Mr Stuart: That is right.

Senator McLUCAS: How did the 82.2 per cent compare to the year prior to that?

Mr Stuart: It was still slowly and incrementally rising from 81.1 per cent in 2012-13. In fact, if you look at the whole of the last decade, bulk-billing rates have been rising, on average, about one percentage point per year from about 72.8 per cent on 1 November 2005 up to 83 per cent presently. It looks like about a point a year.

Senator McLUCAS: Do we have bulk-billing rates between the period from 1 July 2015 to date?

Mr Stuart: I am told quarterly information will not be available until next week.

Senator McLUCAS: Could I ask on notice that you provide us that quarterly rate as of next week?

Mr Stuart: Will do.

Senator McLUCAS: Thank you. Have you looked at any data about the potential impact on private patients receiving treatment in hospital?

Mr Stuart: I am sorry, could you say it again.

Senator McLUCAS: Have you looked at any data on the impact, or the potential impact, of the freeze on private patients receiving treatment in hospital?

Mr Stuart: No.

Senator McLUCAS: Has there been any analysis of access to GPs? So the number of GP attendances, how is that tracking?

Mr Bowles: If you look at the overall MBS number of services, it is still on the way up.

Senator McLUCAS: But is it on the same trajectory as previous to the freeze?