

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Supplementary Budget Estimates 2016 - 2017, 19 October 2016**

**Ref No:** SQ16-000401

**OUTCOME:** 4 - Individual Health Benefits

**Topic:** Indigenous use of the Medicare Rebate

**Type of Question:** Hansard Page 36, 19 October 2016

**Senator:** McCarthy, Malrindirri

**Question:**

Senator McCARTHY: How do you collate the information in terms of specifics around Indigenous health or Indigenous use of the Medicare rebate?

Ms Jolly: I would probably need to take some of that on notice. There is a technical calculation, where we estimate the use of Medicare for Aboriginal and Torres Strait Islander people. It is a methodology which is used. I am not the expert on that methodology, but I could certainly get you some information on how that works.

Senator McCARTHY: Who would know about that methodology?

Ms Jolly: We would just take that on notice. It would be someone that I would be able to get information from. Basically, it is the way in which we look at the MBS data and make some assessment of utilisation by Aboriginal and Torres Strait Islander people. But I would need to get some further advice to make sure I have given you the accurate information.

**Answer:**

Given the incomplete coverage of the Voluntary Indigenous Identifier (VII), the Department of Health applies an adjustment methodology for VII data to provide more accurate estimates of Indigenous MBS service use and expenditure. The adjustment methodology was developed by the Australian Institute of Health and Welfare in consultation with the Department, and relies on the VII population's broad representativeness of the total Aboriginal and Torres Strait Islander population.

The methodology compensates for the incompleteness of the VII population by adjusting VII data based on its level of coverage of the total estimated Indigenous population. Medicare statistics for the VII population are disaggregated by sex, 5-year age group, state/territory and remoteness area, and each cell of this disaggregation is multiplied by an adjustment factor based on the VII coverage in each cell. When disaggregated by these variables, this adjustment also counteracts the biases that result from the variations in VII enrolment.

VII adjustment factor tables are generated using both the VII enrollee population and the estimated residential population as at June 30 of the relevant year.

Estimates generated by the adjustment methodology for a given period will vary according to the point in time at which they are calculated, as the adjustment factors will be updated regularly to account for the ongoing change in the population coverage of the VII sample.