

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

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

**Ref No:** SQ16-000478

**OUTCOME:** 4 - Individual Health Benefits

**Topic:** 'No Gap' Agreements

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

**Senator:** Griff, Stirling

**Question:**

- a) We know that the introduction of legislation for the Federal Government Rebate on private health insurance was intended to encourage private health funds to provide no gap or known gap products to patients. Is the Department aware of the practice that involves doctors charging 'booking fees' to overcome 'no gap' agreements with health fund providers and, if so, how common is it?
- b) This practice is said to take advantage of a loophole in funding agreements with healthcare providers. Does it breach any other regulatory requirements?
- c) What steps, if any, are being taken to address this practice?

**Answer:**

- a) The Department is aware that some service providers charge an additional fee to help offset the costs of establishing and running their business. The costs and charges levied are commercial decisions made by each service provider. The Government does not play a role in regulating or controlling these types of fees as they are not linked to a specific Medicare Benefits Schedule item number and consequently this is not measured in Medicare data. Health insurers can offer benefits covering a fee of this nature, however, this depends upon the policy held by the patient.
- b) The Department is not aware of any breaches of Australian Government regulatory requirements in this area.
- c) The Australian Government recently established the Private Health Ministerial Advisory Committee (the Committee) to provide advice to the Minister for Health on the development and implementation of possible reforms to private health insurance. The Committee is chaired by Mr Jeffrey Harmer AO.

On 29 September 2016, the Committee agreed its work program through to the end of 2017. Under this work program, the Committee has agreed that it will examine the issue of out of pocket costs, with this work to start in December 2017. The Private Health Ministerial Advisory Committee Work Program, can be accessed at:  
<http://www.health.gov.au/internet/main/publishing.nsf/Content/phmac-committee-workplan>