

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2012-2013

Finance and Deregulation Portfolio

Department/Agency: Medibank Private Ltd

Outcome/Program:

Topic: Reconciliation of rebates

Senator: Cormann

Question reference number: F61

Type of question: Hansard F&PA Committee, page 30, 24 May 2012

Date set by the committee for the return of answer: Friday, 6 July 2012

Number of pages: 1

Question:

Senator CORMANN: But in the meantime you have received the 30 per cent rebate. It becomes apparent to the tax office that that person has—

Mr Savvides: No, there must be a reconciliation process in order to—

Senator CORMANN: So does the ATO essentially give you an advance, assuming that what you are assuming is right, and then go after the taxpayer two years later?

Mr Savvides: You obviously know the industry very well from your background so all I can say to you is I will have to take that on notice. They are absolutely excellent questions about how we reconcile the difference between an overclaim on rebate, our position with the funding authority and our position with the tax office.

Answer:

The introduction of private health insurance rebate means testing does not create any administrative burden for Medibank associated with the reconciliation of any overpayment or underpayment of the rebate to policy holders. Reconciliation for rebate overpayments or underpayments is managed between individual policy holders and the Australian Taxation Office, as a part of the tax return process.