

Appendix A

Model - GP services

Medicare Data Source: MEDICARE STATISTICS <http://www.health.gov.au/haf/medstats/index.htm>

Current situation - 2002/3

N services total	N bulk-billed	N service not bulk-billed	Avg Patient contrib - non BB only - \$	Total billings	Avg Billing	Total patient contrib	Total cost to Medicare	Avg cost to medicare	Avg OOP cost
96,919,000	67,338,000	29,581,000	12.91	3,150,832,000	32.51	381,890,710	2,768,941,290	28.57	3.94

Note: BB = Bulk billed; nBB = not Bulk billed; Avg Pat = Average Patient contribution for nBB only;

Govt est. = C'wealth estimates of impact/cost;

HC = Health Care card holders or billings, etc; service use factor = extra use factor for HC holders; N = number

nHC = non HC holders; service incidence = usage of services

BB & HC data

Region	Current BB %	Current HC %	Current HC service incidence %	Current HC incidence N	Current implied Incidence BB nHC N	Implied incidence nBB N*	Avg billing - nBB	HC service use factor	FTE GP services pa
Metro CC	76.0%	31.7%	45.3%	3173	2,147	1680	41.48	1.43	7,000
Metro other	68.2%	31.7%	45.3%	3173	1,601	2226			
Rural	54.4%	41.8%	59.8%	4184	0	2816			
Rural/remote	54.7%	40.1%	57.3%	4014	0	2986			
Weighted mean	70.0%	34.0%	48.6%	3404					

Note: * Assumes all HC holders bulk-billed

Government package

Region	Additional Rebate	New rebate	Govt est. - additional income per FTE GP - \$pa	Implied BB HC N	Implied BB nHC N	Implied nBB N
Metro CC	1.00	29.57	3,500	3,500	1,820	1,680
Metro other	2.95	31.52	10,250	3,475	1,299	2,226
Rural	5.30	33.87	18,500	3,491	317	3,192
Rural/remote	6.30	34.87	22,050	3,500	329	3,171
Weighted mean	2.36	30.93				

Opposition package

Region	New rebate - BB @ 95%	New rebate - BB @ 100%	Incentive payment	Incentive targets - BB rates
Metro CC	31.93	33.61	7,500	80%
Metro other	31.93	33.61	15,000	75%
Rural	31.93	33.61	22,500	70%
Rural/remote	31.93	33.61	22,500	70%
Weighted mean				77.1%

Baseline model - current estimated fee income & income targets

Region	Estimated income - BB	Estimated income - nBB	Total fees income	Total target fees income
Metro CC	151,991	69,686	221,676	245,174
Metro other	136,391	92,334	228,725	252,970
Rural	108,793	132,403	241,196	266,763
Rural/remote	109,393	131,532	240,925	266,463

Scenario 1 - current BB rates maintained, current average oop maintained
Government Package (assumes BB rate @ not less than HC service incidence)

Region	Govt estimate - income from BB HC	LTU estimate - income from BB HC	Govt estimate - income from BB nHC	LTU estimate - income from BB nHC	Govt estimate - income from nBB	LTU estimate - income from nBB	Govt estimate Total fees income	LTU estimate Total fees income	Practice costs	LTU-PC
Metro CC	103,494	93,830	51,997	61,334	69,686	69,686	225,176	224,849	130,676	94,173
Metro other	109,517	100,017	37,124	45,735	92,334	92,334	238,975	238,086	130,676	107,410
Rural	118,224	141,717	9,069	0	132,403	116,799	259,696	258,516	130,676	127,840
Rural/remote	122,044	139,967	9,399	0	131,532	123,858	262,975	263,825	130,676	133,149

Opposition package (assumes current BB rates)

Region	Estimate income from BB @ 95%	Estimate income from BB @ 100%	Estimate income from nBB	Incentive payment	Total income @ 95%	Total income @ 100%	Practice costs	LTU-PC 95%	LTU-PC 100%
Metro CC	169,872	178,812	69,686	0	239,558	248,498	130,676	108,882	117,822
Metro other	152,438	160,461	92,334	0	244,771	252,794	130,676	114,095	122,118
Rural	121,592	127,992	132,403	0	253,995	260,395	130,676	123,319	129,719
Rural/remote	122,263	128,698	131,532	0	253,795	260,230	130,676	123,119	129,554

**Scenario 2 - BB HC only, current average
oop maintained
Government package**

Region	Govt estimate - income from BB HC	LTU estimate - income from BB HC	Govt estimate - income from nBB	LTU estimate - income from nBB	Govt estimate Total fees income	LTU estimate Total fees income	Practice costs	LTU-PC
Metro CC	103,494	93,830	145,179	158,736	248,673	252,565	130,676	121,889
Metro other	109,517	100,017	146,233	158,736	255,751	258,753	130,676	128,077
Rural	118,224	141,717	145,570	116,799	263,794	258,516	130,676	127,840
Rural/remote	122,044	139,967	145,179	123,858	267,223	263,825	130,676	133,149

Opposition package

Region	Estimate income from BB @ 95%	Estimate income from BB @ 100%	Estimate income from nBB	Incentive payment	Total income @ 95%	Total income @ 100%	Practice costs	LTU-PC 95%	LTU-PC 100%
Metro CC	101,322	106,655	158,736	0	260,057	265,390	130,676	129,381	134,714
Metro other	101,322	106,655	158,736	0	260,057	265,390	130,676	129,381	134,714
Rural	133,604	140,636	116,799	0	250,403	257,435	130,676	119,727	126,759
Rural/remote	128,170	134,916	123,858	0	252,028	258,774	130,676	121,352	128,098

Most likely scenarios

**Government package - GPs set fees to achieve target, BB
HC only**

Region	Target income = Total income	Estimate income from BB HC	Estimate income from nHC	Average nBB fee	New average oop - nBB only
Metro CC	245,174	93,830	151,344	39.55	10.98
Metro other	252,970	100,017	152,953	39.97	11.40
Rural	266,763	141,717	125,046	44.41	15.84
Rural/remote	266,463	139,967	126,496	42.36	13.79
Weighted mean	251,132	105,260	145,872	40.56	11.99

Opposition package - GPs BB to regional targets, maintain current average OOP

Region	Estimate income from BB @ 95%	Estimate income from BB @ 100%	Estimate income from nBB	Incentive payment	Total income @ 95%	Total income @ 100%	Practice costs	LTU-PC 95%	LTU-PC 100%
Metro CC	178,812	188,224	58,072	7500	244,384	253,795	130,676	113,708	123,119
Metro other	167,637	176,460	72,589	15000	255,226	264,049	130,676	124,550	133,373
Rural	156,461	164,696	87,107	22500	266,068	274,303	130,676	135,392	143,627
Rural/remote	156,461	164,696	87,107	22500	266,068	274,303	130,676	135,392	143,627

Overall impacts - 2002-3 data, utilising most likely scenarios

Government package

N services total	N bulk-billed	N service not bulk-billed	Avg Patient contrib - non BB only - \$	Total billings	Avg Billing	Total patient contrib	Total cost to Medicare	Avg cost to medicare	Avg OOP cost	Avg billing - nBB
96,919,000	47,125,205	49,793,795	11.99	3,477,069,735	35.88	597,094,392	2,879,975,343	29.72	6.16	40.56

Opposition package @ 95%

N services total	N bulk-billed	N service not bulk-billed	Avg Patient contrib - non BB only - \$	Total billings	Avg Billing	Total patient contrib	Total cost to Medicare	Avg cost to medicare	Avg OOP cost	Avg billing - nBB
96,919,000	74,739,087	22,179,913	12.91	3,306,492,095	34.12	286,342,679	3,020,149,417	31.16	2.95	44.07

Opposition package @ 100%

N services total	N bulk-billed	N service not bulk-billed	Avg Patient contrib - non BB only - \$	Total billings	Avg Billing	Total patient contrib	Total cost to Medicare	Avg cost to medicare	Avg OOP cost	Avg billing - nBB
96,919,000	74,739,087	22,179,913	12.91	3,432,096,159	35.41	286,342,679	3,145,753,480	32.46	2.95	45.37