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**The Hon Tanya Plibersek MP
Minister for Health**

The Hon John Murphy MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600

Dear Mr Murphy

Thank you for your letter of 18 March 2013 regarding the petition on increases to the rate of age pension and health care and aged care issues for pensioners.

I am responding to the question pertaining to the availability of health care for pensioners (question 2).

Medicare services have grown steadily since 2002-03 and have increased at an annual average rate of 4.7% until 2010-11. In 2011-12, the number of Medicare services grew by 4.2%, to around 332 million services in the financial year.

A total of \$17.6 billion was paid in Medicare benefits in 2011-12. This represents approximately 15 services and \$784 in benefits for every Australian.

The Australian Government provides a wide range of taxpayer funded health services, some of which particularly benefit pensioners. These include:

Medicare Bulk Billing Services

The Australian Government understands that access to bulk billing improves access to health care outcomes for many Australians. All practitioners, who provide Medicare eligible services, have the facility to bulk bill patients.

In addition, the Government offers direct incentives for bulk billing specific to need groups, including Commonwealth Concession Card holders.

To encourage bulk billing, Medicare provides additional incentives to GPs who bulk bill Commonwealth Concession Card holders. These payments are currently \$6.00 for GPs providing services in metropolitan areas and \$9.10 in regional, rural and remote areas and all of Tasmania. In the June 2012 quarter, 86.6% of all non-referred GP attendances were bulk billed in New South Wales, higher than ever before.

Extended Medicare Safety Net

The Extended Medicare Safety Net (EMSN) provides an additional rebate for Australian families and singles, including pensioners, who have out-of-pocket costs for Medicare eligible out-of-hospital services once an annual threshold in out-of-pocket costs has been met.

There are two thresholds for the EMSN. These thresholds are indexed by the Consumer Price Index on 1 January each year. The 2013 annual EMSN thresholds are:

- \$610.70 for Commonwealth Concession Card holders, including those with a Pensioner Concession Card, a Health Care Card or a Commonwealth Seniors Card, and people who are eligible for Family Tax Benefits (Part A); and
- \$1,221.90 for all other singles and families.

Out-of-hospital services include GP and specialist attendances, as well as many pathology and diagnostic imaging services. Once the relevant annual threshold has been met, Medicare will pay for 80% of any future out-of-pocket costs for Medicare eligible out-of-hospital services for the remainder of the calendar year, except for a small number of services where an upper limit or 'EMSN benefit cap' applies.

Dental Services

States and territories are the current providers of public dental services which provide free or low-cost dental care to Pensioner Concession Card and Health Care Card holders.

In the 2012-13 Budget, the Government announced that it would provide a \$515.3 million investment in dental health. This includes \$344 million in funding for a blitz on public dental waiting lists which will begin as soon as the state and territory governments have signed the agreement for additional funding. To date, all jurisdictions with the exception of Victoria have signed the agreement.

Under the agreement, states and territories will continue to remain responsible for the actual delivery of public dental services to Pensioner Concession Card and Health Care Card holders.

On 29 August 2012, I announced a \$4.1 billion dental reform package. This includes a further \$1.3 billion to the states and territories to expand public dental services, due to commence 1 July 2014.

Hearing Services

The Office of Hearing Services, issues vouchers to eligible clients under the Australian Government Hearing Services Program (the Program), so they can access a range of hearing services. These services may include:

- a comprehensive hearing assessment performed by a qualified hearing practitioner;
- access to a wide range of quality, free-to-client hearing devices, made by leading manufacturers;
- advice on how to achieve maximum benefit from a device if fitted;
- further support and hearing rehabilitation services, which can be accessed even if a hearing device is not suitable to the individual's hearing needs; and
- access to an optional annual maintenance agreement where, for a small fee, repairs and batteries are made available to support hearing devices.

All services delivered under the Program are provided by qualified hearing practitioners with appropriate skills.

All Pensioner Concession Card holders are entitled to apply for a Hearing Services Voucher which entitles them to a free hearing test if they are an Australian Citizen or permanent resident 21 years or older. Other people entitled to a voucher include those:

- receiving Sickness Allowance from Centrelink;
- holding a Gold Repatriation Health Card issued for all conditions;
- holding a White Repatriation Health Card issued for conditions that include hearing loss;
- dependents of a person in one of the above categories;
- who are members of the Australian Defence Force; or
- undergoing an Australian Government funded disability management services and referred by their disability employment services case manager.

Optical Services

The Government appreciates the need to ensure all Australians have access to comprehensive and appropriate eye care. The Government also understands that eye care can be quite expensive for patients, especially pensioners and other people who are on a low income. To help patients with these costs, the Government provides a payment in the form of a Medicare rebate for a variety of optical services.

'Participating' optometrists who have signed a Common Form of Undertaking for Participating Optometrists with the Government agree to not charge more than the Medicare Benefits Schedule fee for services covered by Medicare. The two exceptions are for comprehensive initial consultation within 24 months of a previous comprehensive initial consultation by another optometrist and for domiciliary visits.

Pharmaceutical Benefits Scheme

The purpose of the Pharmaceutical Benefits Scheme (PBS) is to provide reliable, timely and affordable access to a wide range of medicines for all Australians. Over 4,500 medicines are currently subsidised on the PBS, which cost the Government over \$9.2 billion in 2011-12.

The PBS assists concessional patients, such as pensioners, to reduce their expenditure on medicines, through the co-payment arrangements. These arrangements offer substantial price subsidies for PBS medicines. A concessional patient need only pay \$5.90 for a PBS prescription in 2013, even though the medicine may cost hundreds or even thousands of dollars for each supply. The Government uses taxpayers' funds to cover the remaining cost. Around 80% of PBS subsidised prescriptions dispensed at community pharmacies are for concessional patients.

Further assistance is provided under the PBS safety net arrangements. When a concessional patient reaches the PBS safety net (\$354.00 in 2013), further PBS prescriptions are usually dispensed at no cost to the patient, for the remainder of the calendar year.

Once again, thank you for writing.

Yours sincerely




Tanya Plibersek

29.4.13