

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Additional Estimates 2016 - 2017, 01 March 2017**

**Ref No:** SQ17-000012

**OUTCOME:** 4 - Individual Health Benefits

**Topic:** MBS Freeze

**Type of Question:** Hansard Page 027

**Senator:** Di Natale, Richard

**Question:**

Senator DI NATALE: I might begin with the MBS freeze. Has the department done any work to indicate what the costs of lifting the freeze will be over the forward estimates?

Mr Bowles: The department has provided advice to the minister on various options around the MBS freeze, as we would normally do.

Senator DI NATALE: What would the cost be of lifting the freeze over the forward estimates?

Mr Bowles: I would have to take the specifics on notice, but I think I have been on the record before of saying it is over \$3 billion. I could not give you the specifics—and that is for every single thing on the MBS freeze.

Senator DI NATALE: No problem.

Mr Bowles: We will take that on notice for the specifics.

**Answer:**

As it is current Government policy that the pause on Medicare indexation continues until 1 July 2020, the Department of Health has not formally costed an earlier return to indexation. Indicative costs of a return to indexation across all Medicare items (including pathology and diagnostic imaging) from 1 July 2017 would be approximately \$3.7 billion (figure in expense) over four years. This includes the cost for the Department of Health and the Department of Veterans' Affairs. This figure is an estimate only and has not been agreed with the Department of Finance.