

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Supplementary Budget Estimates 2014 - 2015, 22 October 2014

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OUTCOME: 0 - Whole of Portfolio

Topic: Health Expenditure

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Senator: Di Natale, Richard

Question:

Senator DI NATALE: So we have seen a decrease—let us be clear about that—in the federal contribution to health spending by 2.3 per cent in 2012-13.

Ms Flanagan: There are reasons for that.

Senator DI NATALE: Yes and let us go to some of these reasons. Perhaps you might want to talk us through some of those.

Ms Flanagan: The information I have here shows that part of that was due to the fact that—again, comparing year on year—there was prepayment of the private health-insurance premiums, which then put up the rebate in the base year that we are comparing against. This artificially increased Australian government expenditure on the PHI rebate, and then it was decreased. There would also have been issues around the national partnership agreements that I think Mr Learmonth talked about, where a number of them were coming to an end. They were time limited. There would be a range of different things when you are just comparing one year against the other.

Senator DI NATALE: I think it was Dr Bartlett who mentioned the Chronic Disease Dental Scheme.

Dr Bartlett: There were issues with chronic disease dental but my understanding, in this year, is that apart from the things Ms Flanagan mentioned the other issue that was important was price disclosure and pharmaceuticals.

Senator DI NATALE: Yes, that is right, and the price we were paying for some drugs coming down. We are talking about 2012-13. Do you not think the Chronic Disease Dental Scheme was a factor?

Dr Bartlett: I would have to check that.

Senator DI NATALE: Please take that on notice.

Answer:

Expenditure on the Chronic Disease Dental Scheme in 2011-12 was \$878.3 million. Expenditure on the Chronic Disease Dental Scheme in 2012-13 to 1 December 2012 when the scheme closed, was \$656.6 million.