

2.4 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 4

Outcome 4: Individual Health Benefits

Access to cost-effective medicines, medical, dental and hearing services, and improved choice in health services, including through the Pharmaceutical Benefits Scheme, Medicare, targeted assistance strategies and private health insurance

Programs Contributing to Outcome 4

Program 4.1:	Medical Benefits
Program 4.2:	Hearing Services
Program 4.3:	Pharmaceutical Benefits
Program 4.4:	Private Health Insurance
Program 4.5:	Medical Indemnity
Program 4.6:	Dental Services
Program 4.7:	Health Benefit Compliance
Program 4.8:	Targeted Assistance – Aids and Appliances

Linked Programs

Other Commonwealth entities that contribute to Outcome 4

Australian Taxation Office

Program 1.1: Australian Taxation Office

The Australian Taxation Office contributes to this Outcome through:

- Collaborating with the Department of Health to construct an enduring linked data set as part of the Multi-Agency Data Integration Project (4.1 and 4.4)
- The administrative arrangements for the Government's rebate on the private health insurance rebate (4.4).

Department of Human Services

Program 1.2: Services to the Community – Health

The Department of Human Services administers payments to eligible recipients, under the following programs administered by the Department of Health, to contribute to the Government's objectives within this Outcome:

- Medicare services and benefit payments, and related Medicare Benefits Schedule (MBS) items (4.1)
- External breast prostheses reimbursements (4.1)
- Ex-gratia payments for the Disaster Health Care Assistance Scheme (4.1)
- Radiation Oncology Health Program Grants Scheme (4.1)
- Health Care Homes Program (4.1)
- Hearing Services Program payments for voucher services and devices (4.2)
- The Pharmaceutical Benefits Scheme (PBS), including payment of script benefits, authority approvals, and new and other PBS items (4.3)
- Lifetime Health Cover mail out and the private health insurance rebate (4.4)
- Medical indemnity activities including indemnity for eligible midwives (4.5)
- The Child Dental Benefits Schedule (4.6)
- Payment of claims from Stoma Associations for stoma-related appliances (4.8).

Department of Veterans' Affairs

Program 2.3: Veterans' Pharmaceuticals Benefits

The Department of Veterans' Affairs contributes to this Outcome by providing clients a comprehensive array of pharmaceuticals and wound dressings for the treatment of their healthcare needs (4.3).

Professional Services Review¹

Program 1.1: Safeguarding the Integrity of the Medicare Program and Pharmaceutical Benefits Scheme

The Professional Services Review contributes to the integrity of the Medicare Program and the PBS by investigating health practitioners suspected of inappropriate practice on request from the Chief Executive Medicare and determining any sanctions to be applied (4.1 and 4.7).

The Treasury

Program 1.9: National Partnership payments to the States

The Treasury makes National Partnership payments to the State and Territory Governments as part of the Federal Financial Relations Framework.² Activities funded for adult public dental services contribute to the Government objectives within this Outcome (4.6).

¹ Refer to the Professional Services Review chapter in these Portfolio Budget Statements for further information on the work of this entity.

² For Budget estimates relating to the National Partnership component of the program, refer to *Budget Paper No. 3* or Program 1.9 of the Treasury's Portfolio Budget Statements.

Table 2.4.1: Budgeted Expenses for Outcome 4

Table 2.4.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
Program 4.1: Medical Benefits					
Administered expenses					
Ordinary annual services ^(a)	104,881	85,327	86,682	85,521	82,807
Special appropriations					
<i>Health Insurance Act 1973 -</i> <i>medical benefits</i>	22,092,457	22,897,861	24,056,034	25,729,692	27,182,709
Departmental expenses					
Departmental appropriation ^(b)	27,814	33,868	33,758	32,380	25,303
Expenses not requiring appropriation in the Budget year ^(c)	2,914	473	592	501	501
Total for Program 4.1	22,228,066	23,017,529	24,177,066	25,848,094	27,291,320
Program 4.2: Hearing Services					
Administered expenses					
Ordinary annual services ^(a)	516,141	530,697	557,447	583,641	600,895
Departmental expenses					
Departmental appropriation ^(b)	7,273	6,955	6,947	6,881	6,868
Expenses not requiring appropriation in the Budget year ^(c)	1,840	1,185	1,482	1,254	1,254
Total for Program 4.2	525,254	538,837	565,876	591,776	609,017
Program 4.3: Pharmaceutical Benefits					
Administered expenses					
Ordinary annual services ^(a)	697,149	797,213	800,937	817,198	604,356
Special appropriations					
<i>National Health Act 1953</i> <i>- pharmaceutical benefits</i>	11,297,940	10,950,710	10,794,810	10,813,488	10,688,175
Departmental expenses					
Departmental appropriation ^(b)	54,212	50,932	42,831	38,344	38,263
Expenses not requiring appropriation in the Budget year ^(c)	7,710	2,010	2,514	2,127	2,127
Total for Program 4.3	12,057,011	11,800,865	11,641,092	11,671,157	11,332,921

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Table 2.4.1: Budgeted Expenses for Outcome 4 (continued)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
Program 4.4: Private Health Insurance					
Administered expenses					
Ordinary annual services ^(a)	3,768	3,114	2,561	2,461	2,461
Special appropriations					
<i>Private Health Insurance Act 2007</i> - incentive payments and rebate	6,054,635	6,175,728	6,311,594	6,456,760	6,618,180
Departmental expenses					
Departmental appropriation ^(b)	10,392	10,048	10,039	9,968	9,955
Expenses not requiring appropriation in the Budget year ^(c)	1,074	123	154	130	130
Total for Program 4.4	6,069,869	6,189,013	6,324,348	6,469,319	6,630,726
Program 4.5: Medical Indemnity					
Administered expenses					
Ordinary annual services ^(a)	150	142	142	142	142
Special appropriations					
<i>Medical Indemnity Act 2002</i>	91,800	96,900	82,300	86,200	90,500
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	6,870	4,061	4,704	5,446	6,281
Departmental expenses					
Departmental appropriation ^(b)	998	958	957	948	947
Expenses not requiring appropriation in the Budget year ^(c)	108	14	18	15	15
Total for Program 4.5	99,926	102,075	88,121	92,751	97,885
Program 4.6: Dental Services ^(d)					
Administered expenses					
Ordinary annual services ^(a)	-	-	-	-	-
Special appropriations					
<i>Dental Benefits Act 2008</i>	331,860	346,039	358,500	369,608	387,250
Departmental expenses					
Departmental appropriation ^(b)	2,511	2,411	3,142	3,122	3,117
Expenses not requiring appropriation in the Budget year ^(c)	170	40	50	42	42
Total for Program 4.6	334,541	348,490	361,692	372,772	390,409

Table 2.4.1: Budgeted Expenses for Outcome 4 (continued)

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
Program 4.7: Health Benefit Compliance					
Administered expenses					
Ordinary annual services ^(a)	12,000	12,000	12,000	12,000	12,000
Departmental expenses					
Departmental appropriation ^(b)	64,748	67,795	63,790	63,164	63,057
Expenses not requiring appropriation in the Budget year ^(c)	2,050	1,165	1,457	1,233	1,233
Total for Program 4.7	78,798	80,960	77,247	76,397	76,290
Program 4.8: Targeted Assistance - Aids and Appliances					
Administered expenses					
Ordinary annual services ^(a)	4,442	11,394	12,480	13,646	14,862
Special appropriations					
<i>National Health Act 1953</i>					
- aids and appliances	354,493	353,784	356,263	371,567	377,145
Departmental expenses					
Departmental appropriation ^(b)	4,245	4,062	4,057	4,019	4,012
Expenses not requiring appropriation in the Budget year ^(c)	499	65	81	69	69
Total for Program 4.8	363,679	369,305	372,881	389,301	396,088
Outcome 4 totals by appropriation type					
Administered expenses					
Ordinary annual services ^(a)	1,338,531	1,439,887	1,472,249	1,514,609	1,317,523
Special appropriations	40,230,055	40,825,083	41,964,205	43,832,761	45,350,240
Departmental expenses					
Departmental appropriation ^(b)	172,193	177,029	165,521	158,826	151,522
Expenses not requiring appropriation in the Budget year ^(c)	16,365	5,075	6,348	5,371	5,371
Total expenses for Outcome 4	41,757,144	42,447,074	43,608,323	45,511,567	46,824,656
	2016-17	2017-18			
Average staffing level (number)	999	934			

^(a) Appropriation Bill (No. 1) 2017-18.

^(b) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.
^(c) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

^(d) The 2015-16 Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, refer to Budget Paper No. 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

Movement of Funds

There were no movements of administered funds between years for Outcome 4.

Planned Performance for Outcome 4

Tables 2.4.2 – 2.4.9 below detail the performance criteria for each program associated with Outcome 4. These tables also summarise how each program is delivered and where 2017-18 Budget measures have materially changed existing programs.

Table 2.4.2: Performance Criteria for Program 4.1

Purpose
Lead and shape Australia's health and aged care system and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Outcome 4: Individual Health Benefits
Access to cost-effective medicines, medical, dental and hearing services, and improved choice in health services, including through the Pharmaceutical Benefits Scheme, Medicare, targeted assistance strategies and private health insurance
Program 4.1: Medical Benefits
<p>To deliver a modern Medicare program that is sustainable and supports all Australians to access high quality and cost-effective professional services, the Australian Government will continue to work with clinicians, other health professionals and consumers to progress the Long-Term National Health Plan. This will include the work of the Medical Services Advisory Committee and the Medicare Benefits Schedule Review to strengthen Medicare, and work with States and Territories, and private health insurers.</p> <p>The Government will continue to support quality and effective use of diagnostic imaging, pathology and radiation oncology services, and deliver the national External Breast Prosthesis Reimbursement Program.</p> <p>Targeted assistance strategies will also continue access to health services for Australians who require life-saving treatment not available in Australia and the provision of medical assistance to eligible Australians following specific overseas disasters.</p> <p>In the 2017-18 Budget, the Government is guaranteeing its investment in Medicare so that all Australians can be certain they will continue to have access to the essential health care services they need.</p> <p>The Government will establish the Medicare Guarantee Fund from 1 July 2017 to ensure the ongoing funding of the Medicare Benefits Schedule (MBS) and the Pharmaceutical Benefits Scheme (PBS) into the future.</p> <p>The Fund will be credited with revenue raised from the Medicare levy (excluding amounts to meet the Government's commitment to fund the National Disability Insurance Scheme) as well as a portion of personal income tax receipts sufficient to cover the estimated costs of essential health care provided under the MBS and PBS.</p> <p>These amounts will be held in the Fund for the sole purpose of meeting the cost of essential health care provided under the MBS and PBS.</p> <p>The Government will invest \$2.4 billion in Medicare, including \$1 billion to restore indexation of the Medicare rebate over the next four years – general practitioner bulk-billing incentives from 1 July 2017; standard general practitioner and specialist consultations from 1 July 2018; and specialist procedures and allied health services from 1 July 2019; and for targeted diagnostic imaging services from 2020. This brings the total expenditure invested in Medicare to \$22.9 billion in 2017-18.</p> <p>In addition, the Government will maintain the bulk-billing incentives for pathology and diagnostic imaging services, at a cost of \$936.7 million over five years. Furthermore, the Government will maintain the current Medicare safety net arrangements at a cost of \$317.5 million.</p>

<p>The Government will provide \$16.4 million for new listings on the Medicare Benefits Schedule (MBS). The Government will also invest \$44.2 million over three years in continuing to fund the clinician-led review (the Review) of all 5,700 items on the MBS to ensure they represent best clinical practice. Alongside the Review, \$44.5 million will enable the Medical Services Advisory Committee to continue its work of amending and adding to MBS listings to ensure Medicare remains contemporary and sustainable.</p> <p>In addition, funding of \$9.1 million over four years will be provided to enable Australians who live in rural and regional Australia to access psychologists via telehealth.</p>		
<p>Delivery</p>		
<p>A. Ensuring continued access to a Medicare system that provides modern, high quality and cost-effective professional health services that are in line with current clinical evidence</p> <ul style="list-style-type: none"> Support a Medicare system that is modern, sustainable and aligned to current clinical evidence. <p>B. Providing targeted medical assistance, including to Australians who require life-saving medical treatment not available in Australia, and access to breast prostheses for women who have had breast cancer</p> <ul style="list-style-type: none"> Assess applications for financial assistance for life-saving medical treatment required to be performed overseas. Continue the provision of an administratively simple and nationally accessible reimbursement scheme for external breast prostheses. <p>C. Supporting safe and effective diagnostic imaging and pathology services</p> <ul style="list-style-type: none"> Provide consumers with a contemporary and best practice pathology accreditation program. Work with the newly established Diagnostic Imaging Accreditation Scheme Advisory Committee to review standards in diagnostic imaging. <p>D. Supporting the delivery of high quality radiation oncology services</p> <ul style="list-style-type: none"> Provide targeted financial contributions to the capital cost of radiation oncology linear accelerators. 		
<p>Performance criteria</p>		
<p>A. Ensuring continued access to a Medicare system that provides modern, high quality and cost-effective professional health services that are in line with current clinical evidence</p>		
<p>Continued review of Medicare Benefits Schedule items to maintain a Medicare system that provides high value care to the Australian public based on evidence and best clinical practice.</p>		
<p>2016-17 Estimated result</p>	<p>2017-18 Target</p>	<p>2018-19 (& beyond) Target</p>
<p>Clinical Committees³ will have considered 50% of the Medicare Benefits Schedule items for the review.</p>	<p>Clinical Committees will have considered 70% of the Medicare Benefits Schedule items for the review.</p>	<p>Clinical Committees will have considered 85% or more of the Medicare Benefits Schedule items for the review.</p>

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³ Further information available at: www.health.gov.au/internet/main/publishing.nsf/content/MBSR-committees

B. Providing targeted medical assistance, including to Australians who require life-saving medical treatment not available in Australia, and access to breast prostheses for women who have had breast cancer				
To provide financial assistance to Australians for appropriate medical treatment not available in Australia or for out-of-pocket healthcare costs as a result of specific overseas disasters.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
Financial assistance was provided to eligible applicants through the Medical Treatment Overseas Program ⁴ and the Disaster Health Care Assistance Scheme. ⁵		Applications for financial assistance for medical treatment overseas are assessed in a timely manner in accordance with program guidelines. Ensure that the Reciprocal Health Care Agreements ⁶ are supporting Australians that travel overseas.		As per 2017-18.
Improving the quality of life of women who have undergone a mastectomy as a result of breast cancer, through efficient processing of claims from eligible women under the National External Breast Prostheses Reimbursement Program.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
90% of claims processed within ten days of lodgement.	≥90%	≥90%	≥90%	≥90%
C. Supporting safe and effective diagnostic imaging and pathology services				
Maintain a consistent and contemporary accreditation framework which underpins all Medicare eligible pathology services.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
There is continued improvement of the Australian Pathology Accreditation Framework with the publication of three new and/or revised accreditation standards in 2017.		Ensure consumers have continued access to up-to-date, quality pathology services through reviewing and updating the Australian Pathology Accreditation Framework, as required.		As per 2017-18.

⁴ Further information available at: www.health.gov.au/internet/main/publishing.nsf/content/strategicpolicymto.htm

⁵ Further information available at: www.humanservices.gov.au/customer/services/medicare/disaster-health-care-assistance-scheme

⁶ Further information available at: www.humanservices.gov.au/customer/services/medicare/reciprocal-health-care-agreements

D. Supporting the delivery of high quality radiation oncology services		
Ensure Australians have access to high quality radiotherapy services through the Radiation Oncology Health Program Grant Scheme.		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
The review of the Radiation Oncology Health Program Grant Scheme was completed in August 2016 with Government agreeing to a new administrative scheme with greater involvement of the States and Territories.	Provide targeted financial contributions to the capital cost of radiation oncology linear accelerators ⁷ located in priority areas as agreed between the Commonwealth and relevant States and Territories.	As per 2017-18.
Material changes to Program 4.1 resulting from the following measures: <ul style="list-style-type: none"> • <i>Guaranteeing Medicare – aligning reciprocal health care</i> • <i>Guaranteeing Medicare – development of the Health Care Homes trial</i> • <i>Guaranteeing Medicare – Medicare Benefits Schedule – improved compliance</i> • <i>Guaranteeing Medicare – Medicare Benefits Schedule – indexation</i> • <i>Guaranteeing Medicare – Medical Benefits Schedule Review – continuation</i> • <i>Prioritising Mental Health – improving telehealth for psychological services in regional, rural and remote Australia</i> • <i>Unlegislated Budget Repair Measures – not proceeding</i> 		

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⁷ The device most commonly used for external beam radiation treatments for patients with cancer.

Table 2.4.3: Performance Criteria for Program 4.2

Program 4.2: Hearing Services				
The Australian Government will continue to provide a range of fully and partially subsidised hearing devices and services to eligible Australians to manage their hearing loss and improve their engagement with the community. This includes continued support to hearing research that focuses on ways to reduce the impact of hearing loss and the incidence and consequence of avoidable hearing loss in the Australian community.				
Delivery				
A. Supporting access to high quality hearing services and research into hearing loss prevention and management				
<ul style="list-style-type: none"> • Deliver the voucher component of the Hearing Services Program which enables eligible clients to obtain hearing services and devices from a national network of service providers. • Deliver the Community Service Obligations component of the Hearing Services Program which provides specialist services to children and other eligible groups such as complex adult clients and some Aboriginal and Torres Strait Islander peoples. Services are delivered through Australian Hearing. • Provide research funding through the National Acoustics Laboratories and Hearing Loss Prevention Program. 				
Performance criteria				
A. Supporting access to high quality hearing services and research into hearing loss prevention and management				
Support access to high quality hearing services by providing voucher services nationally.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
734,000 voucher clients	745,000 voucher clients	772,300 voucher clients	797,000 voucher clients	812,500 voucher clients
Material changes to Program 4.2 resulting from the following measures:				
<ul style="list-style-type: none"> • There are no material changes to Program 4.2 resulting from measures. 				

Table 2.4.4: Performance Criteria for Program 4.3

Program 4.3: Pharmaceutical Benefits
<p>The Australian Government aims to provide reliable, timely and affordable access to cost-effective, high quality medicines and sustainable pharmaceutical services to all eligible Australians, through the subsidisation of the cost of medicines through the Pharmaceutical Benefits Scheme (PBS), Life Saving Drugs Program and community pharmacy programs through the Sixth Community Pharmacy Agreement.</p> <p>The 2017-18 Budget strengthens the Pharmaceutical Benefits Scheme (PBS) on several fronts, working closely with stakeholders to share responsibility for ensuring the PBS remains sustainable into the future. Existing arrangements for the Pharmaceutical Benefits Scheme co-payment and safety net threshold will remain at a cost of \$955 million.</p> <p>The Government will work with Medicines Australia through a collaborative five-year compact that will give the industry greater planning certainty and reduce the costs of medicines by an estimated \$1.8 billion. The compact commits to provide one-off price reductions for certain medicines that have been on the PBS for 10 and 15 years; lowering of more PBS drug prices over the longer period of the compact; and support for the uptake of lower-cost generic and biosimilar medicines. In a first for the PBS, savings generated by the formal compact with Medicines Australia will fund future, often highly expensive, new PBS listings.</p> <p>The Government has entered into a compact with the Pharmacy Guild to strengthen the PBS to deliver \$210 million for community pharmacies, recognising a lower than anticipated increase in scripts filled by pharmacists. In addition, the Government will provide \$15 million to wholesalers in recognition of reduced remuneration due to lower than expected prescription volumes.</p> <p>The Government will undertake further work to make electronic forms of PBS scripts a legal form of prescription. This will be developed in consultation with doctors and pharmacists and participation will be voluntary with doctors retaining complete control over all scripts.</p> <p>In addition, the Government will work with community pharmacies to improve medication management programs. This commitment of \$600 million over three years will enable pharmacies to offer new or expanded services to consumers, including home visits by pharmacists, helping patients with their medication, and supporting Health Care Homes with medicine management.</p> <p>The Government will spend \$1.2 billion on new and amended listings for the PBS. From 1 June 2017, the Government will list the combination medicine, sacubitril with valsartan (Entresto[®]), for a new treatment for hypertension and heart failure. More than 60,000 Australians with chronic heart failure will benefit from the listing of this new medicine. Without the PBS subsidy, patients would pay more than \$1,970 a year for the treatment. Other new listings include medicine for children with cystic fibrosis, and medicine to treat idiopathic pulmonary fibrosis (a debilitating lung disease).</p>

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Delivery		
<p>A. Providing access to new and existing medicines for patients with life threatening conditions</p> <ul style="list-style-type: none"> Assess patient applications against published eligibility criteria for Life Saving Drugs Program medicines in a timely way. Administer medicine orders to meet the needs of patients approved to the Life Saving Drugs Program, within agreed timeframes. <p>B. Ensuring access to cost-effective, innovative, clinically effective medicines through the Pharmaceutical Benefits Scheme</p> <ul style="list-style-type: none"> The Pharmaceutical Benefits Advisory Committee meets a minimum of three times per year to consider medicines for listing on the Pharmaceutical Benefits Scheme to take into account each medicine’s clinical effectiveness, safety and cost-effectiveness (‘value for money’) compared with other treatments for each proposed medication condition as required by legislation. <p>C. Supporting timely access to medicines and pharmacy services</p> <ul style="list-style-type: none"> Support and monitor pharmaceutical wholesalers participating in the Community Service Obligation funding pool to ensure timely access to Pharmaceutical Benefits Scheme medicines. Support professional pharmacy programs and services for consumers through the Sixth Community Pharmacy Agreement. Support and monitor programs to improve access to Pharmaceutical Benefits Scheme medicines by Aboriginal and Torres Strait Islander peoples. <p>D. Maintaining the effectiveness of the Pharmaceutical Benefits Scheme through monitoring and post-market surveillance</p> <ul style="list-style-type: none"> Undertake post-market reviews of Pharmaceutical Benefits Scheme listed medicines to ensure their ongoing safe and cost-effective use for consumers. 		
Performance criteria		
<p>A. Providing access to new and existing medicines for patients with life threatening conditions</p>		
Ensure eligible patients have access to the Life Saving Drugs Program.		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
Patient applications were processed within 30 calendar days of receipt and assessed against set eligibility criteria.	Patient applications are processed within 30 calendar days of receipt.	As per 2017-18.
Ensure continued access to eligible patients to medicines under the Life Saving Drugs Program.		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
Eligible patients provided with ongoing access to life saving medicines through the Life Saving Drugs Program.	Facilitate continued eligible patient access to life saving medicines.	As per 2017-18.

B. Ensuring access to cost-effective, innovative, clinically effective medicines through the Pharmaceutical Benefits Scheme				
Percentage of submissions for new medicines that are recommended for listing by Pharmaceutical Benefits Advisory Committee, that are listed on the Pharmaceutical Benefits Scheme within six months of agreement of budget impact and price.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
80%	80%	80%	80%	80%
C. Supporting timely access to medicines and pharmacy services				
Deliver an increased suite of reporting and data related to pharmacy and Pharmaceutical Benefits Scheme funded medicine access and cost made available to Parliament, consumers and business.				
2016-17 Estimated result	2017-18 Target		2018-19 (& beyond) Target	
The Department is currently increasing the range of available data to include more data based on date of supply. The Department now has access to more detailed data on prescriptions that cost less than the general co-payment. The inclusion of this date improved the accuracy and utility of the Pharmaceutical Benefits Scheme utilisation data.	Periodically increase the volume and nature of data on the Department of Health website during the course of 2017-18.		As per 2017-18.	
Percentage of Urban Centres⁸ in Australia with a population of 1,000 persons or more with an approved supplier⁹ of Pharmaceutical Benefits Scheme medicines.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
>90%	>90%	>90%	>90%	>90%

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⁸ Further information available in the Urban Centres and Localities and Significant Urban Areas Fact Sheet, available at: www.abs.gov.au/websitedbs/D3310114.nsf/home/ASGS+Fact+Sheets

⁹ For this criterion, an approved supplier includes a pharmacy, a medical practitioner (in rural/remote locations where there is no access to a pharmacy) or an Aboriginal Health Service, approved to supply PBS medicines to the community. It does not include an approved hospital authority, approved to supply PBS medicines to its patients.

Percentage of Urban Centres in Australia with a population of 1,000 persons or more with a resident service provider of, or recipient of, Medscheck, Home Medicines Review, Residential Medication Management Review or Clinical Intervention.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
>80%	>80%	>80%	>80%	>80%
Percentage of subsidised Pharmaceutical Benefits Scheme units delivered to community pharmacy within agreed requirements of the Community Service Obligation.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
>95%	>95%	>95%	>95%	>95%
Average cost per subsidised script funded by the Pharmaceutical Benefits Scheme.¹⁰				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
\$35.50	\$35.46	\$36.26	\$36.76	\$37.34
Average cost per script (subsidised and non-subsidised) paid by consumers for Pharmaceutical Benefits Scheme medicines.¹¹				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
\$9.84	\$10.41	\$10.56	\$10.69	\$10.85

¹⁰ This is the projected average cost to Government for Section 85 Pharmaceutical Benefits Scheme subsidised prescriptions.

¹¹ This is the projected average for Section 85 Pharmaceutical Benefits Scheme prescriptions, including under co-payment prescriptions.

D. Maintaining the effectiveness of the Pharmaceutical Benefits Scheme through monitoring and post-market surveillance				
Post-market reviews deliver relevant and high quality advice to the Pharmaceutical Benefits Advisory Committee and Government.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
The following reference groups have been established and are providing advice to post-market reviews on Pharmaceutical Benefits Scheme medicines for: – ezetimibe for hypercholesterolaemia; – Chronic Obstructive Pulmonary Disease; and – Chronic Plaque Psoriasis.		Reference groups established, and continue to engage constructively with professional and community stakeholders in the conduct of the reviews.		As per 2017-18.
Percentage of post-market reviews completed within scheduled timeframes.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
90%	90%	90%	90%	90%
Percentage of Government-accepted recommendations from post-market reviews that have been implemented within agreed timeframes.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
85%	80%	80%	80%	80%
Information regarding quality use of medicines is provided to health professionals and consumers to support use of therapeutics wisely, judiciously and safely to achieve better health and economic outcomes.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
The Department supported NPS MedicineWise to provide consumer information on its website, produce its scheduled publication, and conduct healthcare provider educational visits, which provide evidence-based information on new, existing and revised listings of medicines on the Pharmaceutical Benefits Scheme, for health professionals and consumers.		The Department will provide funding for the provision of quality use of medicines information to be available in a variety of formats throughout the year, designed to support health professionals and consumers.		As per 2017-18.

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Estimated savings to Government from price disclosure.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
\$3,200m	\$3,600m	\$4,000m	\$4,400m	\$4,800m
Material changes to Program 4.3 resulting from the following measures:				
<ul style="list-style-type: none">• <i>Improving Access to Medicines – cheaper medicines</i>• <i>Improving Access to Medicines – support for community pharmacies</i>• <i>Unlegislated Budget Repair Measures – not proceeding</i>				

Table 2.4.5: Performance Criteria for Program 4.4

Program 4.4: Private Health Insurance		
The Australian Government promotes affordable quality private health insurance, to provide greater choice for consumers. This will improve the sustainability of the health system as a whole.		
Delivery		
A. Supporting a viable, sustainable and cost-effective private health insurance sector, including through the private health insurance rebate <ul style="list-style-type: none"> • Work with private health insurers to provide cost-effective private health insurance products to encourage increased membership and sustainability of the private health insurance industry. • Further encourage Australians to take up private health insurance by ensuring access to quality up-to-date information in relation to private health insurance. • Work with the Private Health Ministerial Advisory Committee to develop and implement private health insurance reforms. 		
Performance criteria		
A. Supporting a viable, sustainable and cost-effective private health insurance sector, including through the private health insurance rebate		
Robust policies and procedures are in place, including ensuring all private health insurers are compliant with relevant statutory and legislative requirements.		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
Developed and implemented effective compliance and enforcement policies and procedures. Regular stakeholder communication activities conducted with insurers and other regulatory agencies.	Undertake effective compliance and enforcement through applying transparent and consistent procedures agreed with all industry stakeholders. Undertake regular stakeholder communications with insurers and other regulatory agencies to provide two way dissemination of information.	As per 2017-18.
Ensure privately insured patients have access to clinically and cost-effective prostheses under the <i>Private Health Insurance Act 2007</i>.		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
Supported the Prostheses List Advisory Committee ¹² to reform the Prostheses List arrangements. Published the Prostheses List, enabling access to devices for privately insured patients.	Support the Prostheses List Advisory Committee to reform the Prostheses List arrangements. Publish the Prostheses List enabling access to devices for privately insured patients.	As per 2017-18.
Material changes to Program 4.4 resulting from the following measures: <ul style="list-style-type: none"> • There are no material changes to Program 4.4 resulting from measures. 		

Outcome 4

¹² Further information available at: www.health.gov.au/internet/main/publishing.nsf/Content/health-privatehealth-prostheseslist.htm

Table 2.4.6: Performance Criteria for Program 4.5

Program 4.5: Medical Indemnity				
The Australian Government seeks to ensure the stability of the medical insurance industry, and that medical indemnity insurance products are available and affordable.				
Delivery				
A. Ensuring the ongoing stability of the medical insurance industry and that insurance products are available and affordable				
<ul style="list-style-type: none"> • Administer schemes under the Indemnity Insurance Fund that promote stability, affordability and availability of insurance. Through these schemes, subsidise claims costs and the cost of insurance premiums of eligible medical practitioners and privately practising midwives. • Consult with stakeholders as the Department continues a First Principles Review of the medical indemnity schemes to determine whether the schemes are fit for purpose. 				
Performance criteria				
A. Ensuring the ongoing stability of the medical insurance industry and that insurance products are available and affordable				
Enable continued availability of professional indemnity insurance for eligible midwives.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
Maintained a contract with an indemnity provider for the provision of professional indemnity insurance to eligible midwives.		Maintain a contract with an indemnity provider for the provision of professional indemnity insurance to eligible midwives.		As per 2017-18.
Decrease the number of doctors that require support through the Premium Support Scheme.¹³				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
1,237	<1,500	<1,400	<1,400	<1,400
Material changes to Program 4.5 resulting from the following measures:				
<ul style="list-style-type: none"> • There are no material changes to Program 4.5 resulting from measures. 				

¹³ A decline in doctors accessing the Premium Support Scheme is an indication of medical indemnity insurance being affordable.

Table 2.4.7: Performance Criteria for Program 4.6

Program 4.6: Dental Services				
<p>The Australian Government will improve access to public adult dental services through National Partnership Agreements with the States and Territories, and support eligible children to access essential dental health services through the Child Dental Benefits Schedule.</p> <p>The Government is committed to improving Australian children’s dental health and ensuring that children across the country have access to dentists when they need it. In the 2017-18 Budget, a further \$163.6 million over five years will be provided to increase the two calendar year benefits cap from \$700 to \$1,000 for all children eligible for the Child Dental Benefits Schedule, retrospectively from 1 January 2017.</p>				
Delivery				
A. Improving access to dental services				
<ul style="list-style-type: none"> • Funding the States and Territories for an additional 89,000 adult public dental patients, through the extension to the National Partnership Agreement (NPA) on Adult Public Dental Services. • Finalising negotiations with the States and Territories on a new NPA for additional adult public dental services. • Working with the Department of Human Services in monitoring access to dental health services for children through the Child Dental Benefits Schedule. 				
Performance criteria				
A. Improving access to dental services				
Support eligible children to access essential dental health services through the Child Dental Benefits Schedule.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
1.05 million children accessed the Child Dental Benefits Schedule.	1.11 million children access the Child Dental Benefits Schedule.	1.16 million children access the Child Dental Benefits Schedule.	1.22 million children access the Child Dental Benefits Schedule.	1.30 million children access the Child Dental Benefits Schedule.
Material changes to Program 4.6 resulting from the following measures:				
<ul style="list-style-type: none"> • There are no material changes to Program 4.6 resulting from measures. 				

Outcome 4

Table 2.4.8: Performance Criteria for Program 4.7

Program 4.7: Health Benefit Compliance				
<p>The Australian Government supports the integrity of health benefit claims through early intervention and identification, as well as detecting and investigating instances of fraud. This will be achieved through: assisting health providers meet their compliance obligations when claiming benefits; intervening and correcting claims when honest mistakes occur; and detecting and investigating fraud and inappropriate practice.</p> <p>In a further move to improve Medicare’s fiscal sustainability, in 2017-18, legislation will be introduced to strengthen compliance, including by increasing the Government’s debt recovery powers. Currently, only 20 per cent of Medicare debts through inappropriate claiming are recovered. This measure will generate estimated net savings of \$103.8 million to be reinvested in Medicare services.</p> <p>The Government will enforce existing legislation which governs arrangements between doctors and pathology providers.</p>				
Delivery				
<p>A. Ensuring the integrity of health provider claiming</p> <ul style="list-style-type: none"> Utilise advanced data analytics to identify irregular claiming patterns and non-compliance. Conduct appropriate interventions through: education; targeted campaigns; general audits; practitioner reviews; and criminal investigations. 				
Performance criteria				
<p>A. Ensuring the integrity of health provider claiming</p> <p>Improve health provider compliance through a contemporary program that utilises advanced analytics and behavioural economics to identify irregular payments and behaviours, measured through:</p> <p>a. Value of debts recovered.</p> <p>b. Behavioural change from activities from prior years.¹⁴</p>				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
a. \$13.0m	\$15.6m	\$18.2m	\$20.8m	\$20.7m
b. N/A ¹⁵	\$13.0m	\$15.6m	\$18.2m	\$18.2m
<p>Material changes to Program 4.7 resulting from the following measures:</p> <ul style="list-style-type: none"> <i>Pathology Approved Collection Centres – strengthening compliance</i> 				

¹⁴ Estimated savings to Government from improved health provider compliance, achieved through positive behavioural change.

¹⁵ This is a new performance criterion for 2017-18, therefore there is no estimated result for 2016-17.

Table 2.4.9: Performance Criteria for Program 4.8

Program 4.8: Targeted Assistance – Aids and Appliances		
<p>The Australian Government is committed to improving health outcomes for the Australian community through the provision of targeted assistance for aids and appliances.</p> <p>Fulfilling its 2016 election commitment, from 1 April 2017 the Government is providing \$54 million over five years to subsidise access to continuous glucose monitoring technology for children and young adults under 21 years of age with insulin-dependent type 1 diabetes, and who face additional challenges in managing their diabetes and blood glucose levels. In addition, the Government will simplify the subsidy and remove the co-payment for the Insulin Pump Program. The Government will also implement recommendations from the Stoma Product Assessment Panel for changes to the Stoma Appliance Scheme, and will provide five new product listings, amendments to 12 product listings and eight product deletions.</p>		
Delivery		
<p>A. Improving health outcomes through the provision of targeted assistance for aids and appliances</p> <ul style="list-style-type: none"> • Through the National Diabetes Services Scheme, continue to ensure the provision of timely, reliable and affordable access to products and services to help people effectively manage their condition. • Continue to support access to clinically appropriate dressings to improve the quality of life for people with Epidermolysis Bullosa. • Continue to assist people with stomas by ensuring access to stoma-related products with a greater choice of new products. 		
Performance criteria		
<p>A. Improving health outcomes through the provision of targeted assistance for aids and appliances</p>		
<p>The National Diabetes Services Scheme meets the needs of registrants.¹⁶</p>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
70% of registrants surveyed through the annual National Diabetes Services Scheme registrant survey felt that the National Diabetes Services Scheme was meeting their needs.	Annual National Diabetes Services Scheme registrant survey demonstrates that the needs of registrants are being met.	As per 2017-18.
Support children and young people under 21 years of age, with type 1 diabetes, through the National Diabetes Services Scheme.		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
<i>Subsidised continuous glucose monitoring products have been provided to eligible children and young people under 21 years of age through the National Diabetes Services Scheme from 1 April 2017.</i>	<i>Provide eligible children and young people under 21 years of age with subsidised continuous glucose monitoring products through the National Diabetes Services Scheme to assist in the management of their type 1 diabetes.</i>	As per 2017-18.

Outcome 4

¹⁶ Registrants are people with type 1 diabetes, type 2 diabetes, gestational diabetes or 'other diabetes' who are registered on the National Diabetes Services Scheme.

Support Australians to assist in the management of specific chronic health conditions (diabetes, stoma and Epidermolysis Bullosa).		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
Subsidised aids and appliances have been provided to eligible Australians.	Ensure provision of subsidised aids and appliances to assist eligible Australians in the management of their chronic health conditions.	As per 2017-18.
<p>Material changes to Program 4.8 resulting from the following measures:</p> <ul style="list-style-type: none"> • <i>Helping Families with Diabetes – free glucose monitoring devices for young Australians with type 1 diabetes</i> • <i>Helping Families with Diabetes – Insulin Pump Program – reducing patient contributions</i> 		