

## 2.4 BUDGETED EXPENSES AND PERFORMANCE

### OUTCOME 4 – INDIVIDUAL HEALTH BENEFITS

**Outcome 4: 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

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

Outcome 4 is the responsibility of Health Provider Compliance Division, Health Services Division, Health Systems Policy Division, Medical Benefits Division, Pharmaceutical Benefits Division, and Population Health and Sport Division.

#### Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 4 made by linked programs
<b>Department of Human Services</b> <b>Program 1.2: Services to the Community - Health</b>	The Department of Human Services administers payments to eligible recipients, under the following programs administered by the Department of Health, to contribute to the achievement of the Government’s objectives within this Outcome: <ul style="list-style-type: none"> <li>- Medicare services and benefit payments, and related Medicare Benefits Schedule (MBS) items (4.1)</li> <li>- External breast prostheses reimbursements (4.1)</li> <li>- Ex-gratia payments for the Disaster Health Care Assistance Scheme (4.1)</li> <li>- Radiation Oncology Health Program Grants Scheme (4.1)</li> <li>- Health Care Homes Program (4.1)</li> <li>- Payments to hearing services providers against services provided under the Program’s vouchers (4.2)</li> <li>- The Pharmaceutical Benefits Scheme (PBS), including payment of script benefits, authority approvals, and new and other PBS items (4.3)</li> <li>- Lifetime Health Cover mail out and the private health insurance rebate (4.4)</li> <li>- Medical indemnity activities including indemnity for eligible midwives (4.5)</li> <li>- The Medicare Public Compliance Program (4.7)</li> <li>- Payment of claims from Stoma Associations for stoma related appliances (4.8).</li> </ul>

**Outcome 4**

Commonwealth entity and linked program	Contribution to Outcome 4 made by linked programs
<b>Department of Social Services</b> <b>Program 3.1:</b> Disability, Mental Health and Carers	The Department of Social Services contributes to the achievement of this Outcome by providing access to items under the MBS in relation to disability and mental health care (4.1).
<b>Department of Veterans' Affairs</b> <b>Program 2.3:</b> Veterans' Pharmaceuticals Benefits	The Department of Veterans' Affairs contributes to the achievement of this Outcome by providing entitled beneficiaries to a comprehensive array of pharmaceuticals and wound dressings for the treatment of their health care needs (4.3).
<b>Professional Services Review</b> <b>Program 1.1:</b> 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).
<b>The Treasury</b> (Australian Taxation Office) <b>Program 1.1:</b> Australian Taxation Office	The Australian Taxation Office contributes to the achievement of this Outcome through: <ul style="list-style-type: none"> <li>- 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).</li> <li>- The administrative arrangements for the Government's rebate on the Private Health Insurance Rebate (4.4).</li> </ul>
<b>The Treasury</b> <b>Program 1.9:</b> National Partnership Payments to the States	The Treasury makes National Partnership Payments to the State and Territory Governments for child and adult public dental services as part of the Federal Financial Relations Framework (4.6). <sup>1</sup>

<sup>1</sup> 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**

This table 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.

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
<b>Program 4.1: Medical Benefits</b>					
Administered expenses					
Ordinary annual services <sup>1</sup>	97,714	93,206	77,265	77,381	77,381
Special appropriations					
<i>Health Insurance Act 1973</i>					
- medical benefits	21,080,530	21,850,644	22,572,887	23,579,689	25,025,956
Departmental expenses					
Departmental appropriation <sup>2</sup>	29,990	25,312	22,893	22,990	23,002
Expenses not requiring appropriation in the budget year <sup>3</sup>	761	563	567	604	511
<b>Total for Program 4.1</b>	<b>21,208,995</b>	<b>21,969,725</b>	<b>22,673,612</b>	<b>23,680,664</b>	<b>25,126,850</b>
<b>Program 4.2: Hearing Services</b>					
Administered expenses					
Ordinary annual services <sup>1</sup>	498,892	555,768	564,370	575,200	584,651
Departmental expenses					
Departmental appropriation <sup>2</sup>	10,078	8,547	8,544	8,585	8,589
Expenses not requiring appropriation in the budget year <sup>3</sup>	229	167	168	179	152
<b>Total for Program 4.2</b>	<b>509,199</b>	<b>564,482</b>	<b>573,082</b>	<b>583,964</b>	<b>593,392</b>
<b>Program 4.3: Pharmaceutical Benefits</b>					
Administered expenses					
Ordinary annual services <sup>1</sup>	672,875	690,449	698,302	691,528	700,170
Special appropriations					
<i>National Health Act 1953</i>					
- pharmaceutical benefits	9,735,781	10,109,505	10,290,243	10,630,109	11,021,927
Departmental expenses					
Departmental appropriation <sup>2</sup>	64,220	57,303	56,086	48,274	44,240
Expenses not requiring appropriation in the budget year <sup>3</sup>	2,676	2,896	2,919	3,111	2,630
<b>Total for Program 4.3</b>	<b>10,475,552</b>	<b>10,860,153</b>	<b>11,047,550</b>	<b>11,373,022</b>	<b>11,768,967</b>

Outcome 4

**Table 2.4.1: Budgeted Expenses for Outcome 4 (continued)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
<b>Program 4.4: Private Health Insurance</b>					
Administered expenses					
Ordinary annual services <sup>1</sup>	2,328	3,768	3,114	2,561	2,461
Special appropriations					
<i>Private Health Insurance Act 2007 - incentive payments and rebate</i>	5,953,427	6,249,233	6,492,696	6,812,673	6,812,746
Departmental expenses					
Departmental appropriation <sup>2</sup>	9,069	7,767	7,764	7,796	7,799
Expenses not requiring appropriation in the budget year <sup>3</sup>	181	132	133	142	120
<b>Total for Program 4.4</b>	<b>5,965,005</b>	<b>6,260,900</b>	<b>6,503,707</b>	<b>6,823,172</b>	<b>6,823,126</b>
<b>Program 4.5: Medical Indemnity</b>					
Administered expenses					
Ordinary annual services <sup>1</sup>	150	150	142	142	142
Special appropriations					
<i>Medical Indemnity Act 2002</i>	88,700	93,400	98,600	104,200	110,100
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	3,904	2,949	4,073	4,719	5,462
Departmental expenses					
Departmental appropriation <sup>2</sup>	1,813	1,528	1,528	1,536	1,536
Expenses not requiring appropriation in the budget year <sup>3</sup>	44	32	32	34	29
<b>Total for Program 4.5</b>	<b>94,611</b>	<b>98,059</b>	<b>104,375</b>	<b>110,631</b>	<b>117,269</b>
<b>Program 4.6: Dental Services<sup>4</sup></b>					
Administered expenses					
Ordinary annual services <sup>1</sup>	-	-	-	-	-
Special appropriations					
<i>Dental Benefits Act 2008</i>	313,741	415,616	415,632	420,224	437,512
Departmental expenses					
Departmental appropriation <sup>2</sup>	1,757	1,502	1,500	2,248	2,249
Expenses not requiring appropriation in the budget year <sup>3</sup>	44	36	36	39	33
<b>Total for Program 4.6</b>	<b>315,542</b>	<b>417,154</b>	<b>417,168</b>	<b>422,511</b>	<b>439,794</b>

**Table 2.4.1: Budgeted Expenses for Outcome 4 (continued)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
<b>Program 4.7: Health Benefit Compliance</b>					
Administered expenses					
Ordinary annual services <sup>1</sup>	-	12,000	12,000	12,000	12,000
Departmental expenses					
Departmental appropriation <sup>2</sup>	48,984	65,902	65,945	65,721	65,754
Expenses not requiring appropriation in the budget year <sup>3</sup>	1,358	1,475	1,486	1,584	1,340
<b>Total for Program 4.7</b>	<b>50,342</b>	<b>79,377</b>	<b>79,431</b>	<b>79,305</b>	<b>79,094</b>
<b>Program 4.8: Targeted Assistance - Aids and Appliance</b>					
Administered expenses					
Ordinary annual services <sup>1</sup>	593	592	566	566	566
Special appropriations <i>National Health Act 1953</i> - aids and appliances	336,427	292,219	304,265	315,260	324,111
Departmental expenses					
Departmental appropriation <sup>2</sup>	3,162	2,784	2,783	2,799	2,800
Expenses not requiring appropriation in the budget year <sup>3</sup>	77	63	63	68	57
<b>Total for Program 4.8</b>	<b>340,259</b>	<b>295,658</b>	<b>307,677</b>	<b>318,693</b>	<b>327,534</b>
<b>Outcome 4 totals by appropriation type</b>					
Administered expenses					
Ordinary annual services <sup>1</sup>	1,272,552	1,355,933	1,355,759	1,359,378	1,377,371
Special appropriations	37,512,510	39,013,566	40,178,396	41,866,874	43,737,814
Departmental expenses					
Departmental appropriation <sup>2</sup>	169,073	170,645	167,043	159,949	155,969
Expenses not requiring appropriation in the budget year <sup>3</sup>	5,370	5,364	5,404	5,761	4,872
<b>Total expenses for Outcome 4</b>	<b>38,959,505</b>	<b>40,545,508</b>	<b>41,706,602</b>	<b>43,391,962</b>	<b>45,276,026</b>
	<b>2015-16</b>	<b>2016-17</b>			
<b>Average staffing level (number)</b>	850	909			

<sup>1</sup> Appropriation Bill (No. 1) 2016-17.

<sup>2</sup> Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s74)".

<sup>3</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

<sup>4</sup> 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, please refer to Budget Paper 3 or Program 1.9 of the Treasury's Portfolio Budget Statements. From 1 July 2016, a new *Child and Adult Public Dental Scheme* will be introduced with Budget estimates for payments to State and Territory Governments provided in this expense table. For further details of this measure, refer to Table 1.2 of this Chapter and Budget Paper 2.

#### 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.<sup>2</sup> These tables also summarise how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

**Table 2.4.2 – Performance Criteria for Program 4.1**

<b>Outcome</b>	<b>4: 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</b>
<b>Program</b>	<p><b>4.1: Medical Benefits</b></p> <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 and other health professionals and consumers to progress the Medicare reform agenda.</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 Prostheses Reimbursement Program.</p> <p>Targeted assistance strategies will also continue access to health services for Australians who travel to countries where there is a Reciprocal Health Care Agreement, and the provision of financial assistance to eligible Australians following specific overseas disasters.</p>
<b>Purpose</b>	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
<b>Delivery</b>	<p>Program activities, intended to benefit all Australians through affordable medical care, will be delivered under the following program objectives:</p> <ul style="list-style-type: none"> <li>A. Supporting a Medicare System that is modern, sustainable and in line with current clinical evidence</li> <li>B. Facilitating access to health services for Australians who travel to countries with a Reciprocal Health Care Agreement</li> <li>C. Supporting access to clinically necessary medical services, which are not available in Australia</li> <li>D. Providing financial assistance to eligible persons for out-of-pocket costs for ill health or injury arising from specific overseas disasters</li> <li>E. Supporting safe and effective diagnostic imaging services</li> <li>F. Supporting quality pathology services</li> <li>G. Improving access to prostheses for women who have had a mastectomy as a result of breast cancer</li> <li>H. Supporting the delivery of high quality radiation oncology services</li> </ul>

<sup>2</sup> Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 Annual Report.

<b>Program objective</b>	
<b>A. Supporting a Medicare System that is modern, sustainable and in line with current clinical evidence</b>	
<p>In 2016-17, the Government will continue to modernise and improve Medicare arrangements through the Medicare Benefits Schedule (MBS) Review. The clinician-led MBS Review Taskforce will continue its review of over 5,700 MBS items, most of which have never been reviewed, to ensure services are aligned with contemporary clinical evidence and improve health outcomes for patients, while identifying waste and efficiencies.</p> <p>In parallel, the ongoing evaluation of clinical-effectiveness and cost-effectiveness for new and existing items on the MBS by the Medical Services Advisory Committee (MSAC) will continue.</p> <p>The Government will continue the pause of indexation for all MBS fees for a further two years. The pause on indexation aligns with the Government's objective of maintaining expenditure growth at a fiscally sustainable level.</p> <p>In 2016-17, the Government will list two new items on the MBS to cover the testing of diabetic retinopathy with a non-mydratic retinal camera, which offers a quick, minimally-invasive way of taking images of the patient's eye. This will particularly help Aboriginal and Torres Strait Islander people who are at risk of the chronic sight-threatening disease.</p>	
<b>Qualitative performance criteria</b>	<b>2016-17 Reference point or target</b>
<i>Continued review of MBS items to ensure they are safe, effective and cost-effective.<sup>3</sup></i>	<i>The majority of MBS items have been reviewed by June 2017.</i>
<i>The MBS Review Taskforce, clinical committees (including in diagnostic imaging and pathology), and working groups are supported in their work by the Department.</i>	<i>The Department supports public consultation and stakeholder engagement processes as agreed by the MBS Taskforce.</i>
<b>Program objective</b>	
<b>B. Facilitating access to health services for Australians who travel to countries with a Reciprocal Health Care Agreement</b>	
<p>Australia has Reciprocal Health Care Arrangements with 11 countries, which enable Australian residents visiting those countries to access local public health services: United Kingdom, New Zealand, Ireland, the Netherlands, Sweden, Norway, Finland, Italy, Malta, Belgium and Slovenia. The agreements also provide access to public health services in Australia for visitors from these countries.</p>	
<b>Qualitative performance criteria</b>	<b>2016-17 Reference point or target</b>
Australians visiting the 11 Reciprocal Health Care Agreement countries receive necessary treatment, and visitors from those countries are able to access public health care in Australia.	Timely resolution of issues related to access to health services encountered by Australians visiting a country with a Reciprocal Health Care Agreement, and for visitors to Australia accessing the Australian health care system.

<sup>3</sup> This performance criterion has been revised. The target reported in the 2015-16 Portfolio Budget Statements has been achieved.

<b>Program objective</b>	
<b>C. Supporting access to clinically necessary medical services, which are not available in Australia</b>	
<p>The Australian Government provides financial assistance, through the Medical Treatment Overseas Program, for Australians with life-threatening medical conditions who meet the following mandatory eligibility criteria:</p> <ul style="list-style-type: none"> <li>• that the life-saving treatment or an effective alternative treatment is not available in Australia in time to benefit the applicant;</li> <li>• that the treatment is significantly life extending and potentially curative;</li> <li>• that there is a real prospect of success for the applicant; and</li> <li>• that the treatment is accepted by the Australian medical profession as a standard form of treatment.</li> </ul> <p>The Department will assess applications for eligibility for financial assistance as they arise during 2016-17.</p>	
<b>Qualitative performance criteria</b>	<b>2016-17 Reference point or target</b>
Financial assistance is provided to eligible applicants through the Medical Treatment Overseas Program.	Assessments of applications for medical treatment are managed in accordance with program guidelines.
<b>Program objective</b>	
<b>D. Providing financial assistance to eligible persons for out-of-pocket costs for ill health or injury arising from specific overseas disasters</b>	
<p>Through the Disaster Health Care Assistance Scheme, the Australian Government provides assistance for out-of-pocket health care costs for ill health or injury arising from a specific act of international terrorism, civil disturbance, or natural disaster.</p>	
<b>Qualitative performance criteria</b>	<b>2016-17 Reference point or target</b>
Financial assistance to eligible Australians for out-of-pocket health care costs incurred as a result of specific overseas disasters is provided.	Appropriate assistance is provided through timely policy advice to the Department of Human Services.
<b>Program objective</b>	
<b>E. Supporting safe and effective diagnostic imaging services</b>	
<p>A recently established Diagnostic Imaging Accreditation Scheme Advisory Committee, comprising a range of experts in diagnostic imaging policy and practice, will oversee a review of the Diagnostic Imaging Accreditation Scheme.</p> <p>In 2016-17, the Government will introduce an item for magnetic resonance imaging (MRI) of the breast for patients presenting with occult breast cancer where conventional imaging and examination fails to show the source of the tumor, and an item for a MRI-guided biopsy of the breast for patients with suspected breast cancer where the lesion is only identifiable by MRI.</p>	



Qualitative performance criteria		2016-17 Reference point or target				
Commence a review of the Diagnostic Imaging Accreditation Scheme to strengthen the standards and streamline processes. <sup>4</sup>		The Diagnostic Imaging Accreditation Scheme Advisory Committee agrees and commences their forward work plan by January 2017.				
<b>Program objective</b>						
<b>F. Supporting quality pathology services</b>						
<p>The Department will continue to work with the pathology sector and other health care providers on improving transparency and strengthening the regulatory framework for approved collection centre arrangements.</p> <p>Through the National Pathology Accreditation Program, the Australian Government ensures that Medicare eligible pathology services are underpinned by an accreditation framework that comprises a comprehensive suite of quality standards.</p>						
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Number of new and/or revised national accreditation standards produced for pathology laboratories.	4	4	4	4	4	
Percentage of Medicare-eligible pathology laboratories meeting accreditation standards.	100%	100%	100%	100%	100%	
<b>Program objective</b>						
<b>G. Improving access to prostheses for women who have had a mastectomy as a result of breast cancer</b>						
The Australian Government's national External Breast Prostheses Reimbursement Program improves the quality of life of women who have undergone mastectomy as a result of breast cancer, by providing reimbursement of up to \$400 per prosthesis for new and replacement prostheses.						
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of claims by eligible women under the national External Breast Prostheses Reimbursement Program processed within ten days of lodgement.	90%	90%	90%	90%	90%	

Outcome 1 4

<sup>4</sup> This performance criterion has been revised to reflect continuing work of the Committee.

Program objective					
<b>H. Supporting the delivery of high quality radiation oncology services</b>					
<p>The Australian Government aims to support high quality radiation oncology services by funding approved equipment, quality programs and initiatives to support the radiotherapy workforce. The Department continues to administer the Radiation Oncology Health Program Grants Scheme, which gradually reimburses service providers a contribution to the cost of approved equipment used to provide radiation oncology treatment services. The Scheme complements the Medicare benefits payable for radiation oncology services.</p> <p>The Department will continue to work with key stakeholders, including the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)<sup>5</sup> and professional bodies to reduce unnecessary regulation while ensuring the safety of Medicare funded radiation oncology services.</p> <p>The Government also funds approved workforce activities to increase training capacity, improve the efficiency of the existing workforce and attract staff to areas of need.<sup>6</sup></p>					
Qualitative performance criteria		2016-17 Reference point or target			
Undertake a review of the Radiation Oncology Health Program Grants Scheme.		Review of the Radiation Oncology Health Program Grants Scheme to be completed by the first quarter of 2016-17. The review also provides an opportunity to respond to the 2015-16 Australian National Audit Office audit.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
The number of sites delivering radiation oncology.	71	82 <sup>7</sup>	85	85	85
<b>Material changes to Program 4.1 resulting from the following measures:</b>					
<ul style="list-style-type: none"> <li>• <i>Healthier Medicare – enhanced Medicare compliance program</i></li> <li>• <i>Healthier Medicare – removing obsolete services from the Medicare Benefits Schedule</i></li> <li>• <i>Medicare Benefits Schedule – pause indexation</i></li> </ul>					

<sup>5</sup> For further information on the work of ARPANSA, refer to the ARPANSA chapter in these Portfolio Budget Statements.

<sup>6</sup> For further information on the Government's workforce initiatives, refer to Program 2.3: *Health Workforce* in these Portfolio Budget Statements.

<sup>7</sup> The target for 2016-17 has been revised. The Radiation Oncology Health Program Grants Scheme has not been formally reviewed since 1999. This review will take into consideration other activities underway in respect of radiation oncology, such as the Medicare Benefits Schedule Review and ensure any proposed outcomes can be considered in the context of broader reform.

**Table 2.4.3 – Performance Criteria for Program 4.2**

<b>Program</b>	<b>4.2: Hearing Services</b> The Australian Government will continue to work towards reducing the incidence and consequences of avoidable hearing loss in the Australian community by providing access to high quality hearing services and devices.				
<b>Purpose</b>	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.				
<b>Delivery</b>	Program activities, intended to benefit the Australian community through increased access to hearing services, will be delivered under the following program objectives: A. Supporting access for eligible clients to quality hearing services B. Supporting research into hearing loss prevention and management				
<b>Program objective</b>					
<b>A. Supporting access for eligible clients to quality hearing services</b>					
The Australian Government, through the Hearing Services Program, provides access to free and subsidised hearing services for eligible people with a measurable hearing loss above a specified threshold. In 2016-17, the Department will continue working with the hearing sector to develop a proposed Service Delivery Framework, including National Practice Standards to support improved safety, quality and continuous improvement of hearing services delivery. Progression of arrangements for the transition of eligible clients to the National Disability Insurance Scheme (NDIS) by mid-2019 will also continue.					
<b>Qualitative performance criteria</b>			<b>2016-17 Reference point or target</b>		
Quality service provision and client outcomes are better supported through a proposed hearing sector endorsed Service Delivery Framework.			Hearing sector endorsement of the proposed Service Delivery Framework is achieved by December 2016.		
Policies and program improvements are developed and implemented in consultation with consumers and service providers.			Stakeholders have adequate opportunities to participate in consultations, including consultation on NDIS transition arrangements. <sup>8</sup>		
<b>Quantitative performance criteria</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>
Number of people who receive voucher services nationally.	774,000	723,319 <sup>9</sup>	734,790	763,956	787,923

**Outcome 1 4**

<sup>8</sup> The 2016-17 target has been revised to incorporate stakeholder engagement in relation to NDIS transition arrangements.

<sup>9</sup> The targets for 2016-17 and subsequent years have been revised to reflect the impact of an extension to the voucher eligibility period, which has reduced the anticipated number of return applications that will be lodged.

<b>Program objective</b>	
<b>B. Supporting research into hearing loss prevention and management</b>	
Research aimed at reducing the incidence of avoidable hearing loss in the community will continue to be supported through the National Health and Medical Research Council (NHMRC) <sup>10</sup> and the National Acoustic Laboratories.	
<b>Qualitative performance criteria</b>	<b>2016-17 Reference point or target</b>
Funding of hearing health research projects is in accordance with Hearing Services Program objectives.	Research activities are consistent with, and support, the Hearing Services Program.
<b>Material changes to Program 4.2 resulting from the following measures:</b>	
There are no material changes to Program 4.2 resulting from measures.	

**Table 2.4.4 – Performance Criteria for Program 4.3**

<b>Program</b>	<b>4.3: Pharmaceutical Benefits</b> The Australian Government provides reliable, timely and affordable access to cost-effective, high quality medicines and sustainable pharmaceutical services by subsidising the cost of medicines through the Pharmaceutical Benefits Scheme (PBS) and Life Saving Drugs Program (LSDP), community pharmacy programs, and by supporting the provision of aids and appliances.
<b>Purpose</b>	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
<b>Delivery</b>	Program activities, intended to benefit the Australian community through affordable access to cost-effective medicines, will be delivered under the following program objectives: A. Supporting timely access to medicines and pharmacy services B. Listing cost-effective, innovative, clinically effective medicines on the PBS C. Increasing the sustainability of the PBS D. Providing access to new and existing medicines for patients with life threatening conditions E. Undertaking post-market surveillance F. Monitoring the use of diagnostics, therapeutics and pathology

<sup>10</sup> For further information on the work of the NHMRC, refer to the NHMRC chapter in these Portfolio Budget Statements.

Program objective					
A. Supporting timely access to medicines and pharmacy services					
<p>In 2016-17, the Australian Government will continue to support the longer-term access to, and sustainability of, the PBS through implementing the measures included in the PBS Access and Sustainability Package. These measures have been designed to bring new and innovative medicines on to the PBS in a timely way, ensure efficiency in the pharmaceutical supply chain, and reduce the cost of medicines for taxpayers and consumers.</p> <p>The Sixth Community Pharmacy Agreement (6CPA) recognises the important role that community pharmacists and pharmacies play in our health system.</p> <p>The 6CPA includes three key funding elements, namely:</p> <ul style="list-style-type: none"> <li>• stable community pharmacy remuneration arrangements;</li> <li>• ongoing funding of the Community Services Obligation – which ensures that all Australians have timely access to the PBS medicines they require regardless of the cost of the medicine or where they live; and</li> <li>• increased funding for community pharmacy programs – with a focus on assisting patients better manage their medications; reducing medication misadventure; and delivering better primary health care services.</li> </ul> <p>In 2016-17, the Pharmacy Trial Program (PTP) will provide opportunities to trial new approaches to providing primary care services to Australians through pharmacies. The involvement of independent experts in trial design, implementation, evaluation and health technology assessment will ensure funding is directed to those programs and services that will most benefit patients.</p>					
Qualitative performance criteria			2016-17 Reference point or target		
Maintenance of pharmCIS and delivery of an increased suite of reporting and data related to pharmacy and PBS funded medicine access and cost made available to Parliament, consumers and business.			Periodically increase the volume and nature of data on the Department of Health website during the course of 2016-17. <sup>11</sup>		
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of urban centres/localities in Australia with a population in excess of 1,000 people with a resident community pharmacy or approved supplier of PBS medicines.	>90%	>90%	>90%	>90%	>90%
Percentage of urban centres/localities in Australia with a population in excess of 1,000 people with a resident service provider of, or recipient of, Medscheck, Home Medicines Review, Residential Medication Management Review or Clinical Intervention.	>80%	>80%	>80%	>80%	>80%

<sup>11</sup> This target has been revised to reflect updated financial year.

Percentage of subsidised PBS units delivered to community pharmacy within agreed requirements of the Community Service Obligation.	>95%	>95%	>95%	>95%	>95%
Average cost per subsidised script funded by the PBS. <sup>12</sup>	\$30.04	\$28.17	\$27.73	\$27.55	\$26.79
Average cost per script paid by consumers for subsidised medicines. <sup>13</sup>	\$9.76	\$10.15	\$10.31	\$10.58	\$10.84
<b>Program objective</b>					
<b>B. Listing cost-effective, innovative, clinically effective medicines on the PBS</b>					
<p>The PBS is the primary means through which the Australian Government ensures Australians have timely and affordable access to pharmaceuticals. The PBS is expected to cost \$10.1 billion in 2016-17. Approximately 300 million PBS prescriptions are expected to be dispensed in 2016-17.<sup>14</sup></p> <p>The listing of medicines on the PBS is based on the advice of the Pharmaceutical Benefits Advisory Committee (PBAC); an independent, expert advisory body comprising doctors, other health professionals and a consumer representative. The PBAC assesses the safety, therapeutic benefits and cost-effectiveness of the medicine for the intended use, in comparison with other available treatments.</p> <p>At its March 2016 meeting, the PBAC recommended a further \$310.99 million in new listings for Government consideration in 2016-17. The PBAC will meet three times in 2016-17 to provide Government advice on requests for new listings on the PBS and the National Immunisation Program.</p>					
<b>Quantitative performance criteria</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>
Percentage of submissions for new medicines for listing that are considered by PBAC within 17 weeks of lodgement.	100%	100%	100%	100%	100%
Percentage of submissions for new medicines that are recommended for listing by PBAC, that are listed on the PBS within six months of agreement of budget impact and price.	80%	80%	80%	80%	80%
<b>Program objective</b>					
<b>C. Increasing the sustainability of the PBS</b>					
<p>The Australian Government will continue to improve the long-term sustainability of the PBS, and improve timely access for consumers to cost-effective PBS medicines, by facilitating an independent expert Review of Pharmacy Remuneration and Regulation.</p>					

<sup>12</sup> This is the average across all PBS prescriptions, including under co-payment prescriptions.

<sup>13</sup> Ibid.

<sup>14</sup> This includes subsidised prescriptions and those below the general co-payment.

<p>The Review is consulting widely with consumers and the pharmacy industry about the remuneration provided to the pharmacy sector for dispensing medicines, the regulation of the pharmacy sector, the pharmaceutical supply chain arrangements and the experience of consumers. The review will deliver its final report with recommendations to Government by March 2017.</p> <p>Price disclosure arrangements support sustainability of the PBS by ensuring the Government and community share in the benefits of competition in pricing. It requires suppliers of medicines listed on the F2<sup>15</sup> formulary to disclose information on sales revenue and incentives. This information is used to work out the price at which PBS brands are supplied, allowing reimbursement under the PBS to reflect the weighted average market price. Price disclosure now applies to approximately 350 drugs. Price disclosure reductions occur on 1 April and 1 October each year.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Estimated savings to Government from price disclosure.	\$2,648.4m	\$3,268.3m	\$4,046.4m	\$4,878.2m	5,759.6m
<b>Program objective</b>					
<b>D. Providing access to new and existing medicines for patients with life threatening conditions</b>					
<p>The Australian Government provides fully subsidised access for eligible patients to expensive and 'lifesaving' drugs for rare and life-threatening medical conditions through the Life Saving Drug Program (LSDP).</p> <p>On 9 April 2014, the Government announced a post-market review of the LSDP to ensure the program continues to be fit for purpose and continues to provide Australians with access to these very expensive but necessary medicines. The independent Reference Group has presented its final report of the review which will be published in 2016.</p>					
Qualitative performance criteria	2016-17 Reference point or target				
Eligible patients have timely access to the Life Saving Drugs Program (LSDP).	Patient applications are processed within 30 calendar days of receipt of the complete data package to support the application.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of patients assisted through the LSDP.	287	302	317	332	404
Percentage of Government-accepted recommendations from LSDP post-market reviews that are implemented.	100%	100%	100%	100%	100%
Percentage of eligible patients with access to fully subsidised medicines through the LSDP.	100%	100%	100%	100%	100%

Outcome 1 4

<sup>15</sup> *The National Health Act 1953* provides that listed drugs be assigned to formularies identified as F1 or F2. Generally, F1 is intended for single brand drugs and F2 for drugs that have multiple brands, or are in a therapeutic group with other drugs with multiple brands.

<b>Program objective</b>					
<b>E. Undertaking post-market surveillance</b>					
<p>The Australian Government will finalise two existing reviews in 2016. The Report of the Review of PBS Authority Required Medicines (the Review) is expected to be completed in 2016. Undertaken in three tranches, the Review has made recommendations to change PBS listings resulting in a reduction in red tape and regulatory burden for prescribers and consumers by over \$7 million per year. Review recommendations that do not require major IT system changes have been implemented through core PBS listing processes. Implementation will be substantially completed in 2016.</p> <p>Another review, the review of the PBAC Guidelines, was announced on 25 April 2015 and is expected to be completed later in 2016. The PBAC Guidelines are used by the pharmaceutical industry to prepare submissions to the PBAC. The review will ensure the PBAC assessment methods are consistent, transparent, and continue to address contemporary best practice in methodological issues associated with applications for listing on the PBS. The revised PBAC Guidelines will be published on the PBS website.<sup>16</sup></p> <p>In 2016-17, the Government will continue reviews including: Ezetimibe (a medicine for treating high cholesterol); and medicines in use to treat Chronic Obstructive Pulmonary Diseases – to maintain a continuing focus on improved health outcomes and continued delivery of value for money to taxpayers through post-market surveillance.</p>					
<b>Qualitative performance criteria</b>		<b>2016-17 Reference point or target</b>			
Post-market reviews deliver relevant and high quality advice to the PBAC and Government.		Reference Groups established, and engage constructively with professional and community stakeholders in the conduct of the reviews.			
<b>Quantitative performance criteria</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>
Percentage of post-market reviews completed within scheduled timeframes.	90%	90%	90%	90%	90%
Percentage of Government-accepted recommendations from post-market reviews that have been implemented within six months.	80%	80%	80%	80%	80%
<b>Program objective</b>					
<b>F. Monitoring the use of diagnostics, therapeutics and pathology</b>					
<p>Through the Quality Use of Diagnostics, Therapeutics and Pathology Fund (the Fund), the Australian Government supports the National Prescribing Service to provide information to consumers and health professionals on the quality use of medicines and medical testing. The Fund aims to improve health outcomes and assist the ongoing sustainability of the PBS and the Medicare Benefits Schedule<sup>17</sup> (MBS). The Fund also supports the National Return and Disposal of Unwanted Medicines Program to collect consumers' expired and unwanted medicines, and to help avoid accidental childhood poisoning and medication misuse.</p>					

<sup>16</sup> Available at: [www.pbs.gov.au/pbs/home](http://www.pbs.gov.au/pbs/home)

<sup>17</sup> For further information on the MBS, refer to Program 4.1: *Medical Benefits* located earlier in this Outcome 4 chapter.



Qualitative performance criteria	2016-17 Reference point or target
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. <sup>18</sup>	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.
<b>Material changes to Program 4.3 resulting from the following measures:</b>	
<ul style="list-style-type: none"> <li>• <i>Health Flexible Funds – pausing indexation and achieving efficiencies</i></li> <li>• <i>Healthier Medicare – enhanced Medicare compliance program</i></li> </ul>	

**Table 2.4.5 – Performance Criteria for Program 4.4**

<b>Program</b>	<b>4.4: Private Health Insurance</b> 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.
<b>Purpose</b>	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
<b>Delivery</b>	Program activities, intended to benefit the Australian community, will be delivered under the following program objectives: A. Supporting the affordability of private health insurance through the private health insurance rebate B. Ensuring access to safe and effective medical devices through the Protheseses List C. Promoting a viable, sustainable and cost-effective private health insurance sector
<b>Program objective</b>	
<b>A. Supporting the affordability of private health insurance through the private health insurance rebate</b>	
The Australian Government encourages insurers to provide quality coverage whilst supporting individuals and families to purchase private health insurance with the private health insurance rebate (the Rebate). The Government will continue to pause the income thresholds at which people qualify for the Rebate, from 1 July 2018 until 30 June 2021. The Rebate helps make private health insurance more affordable, providing greater choice and accessibility for Australians to access private health care options, and reducing pressure on the public hospital system. In line with this objective, the Government remains committed to supporting consumers to take up private health insurance.	

Outcome 1 4

<sup>18</sup> This performance criterion has been updated to reflect that the quality use of medicines is provided for a range of medicines, not just for medicines newly on the PBS.

Qualitative performance criteria		2016-17 Reference point or target				
Consultation with stakeholders on ways to ensure that the private health insurance rebate is communicated to policy holders and delivered through private health insurance products.		Ongoing stakeholder discussions (a minimum of two stakeholder consultation forums) <sup>19</sup> to assist in the timeliness and streamlining of processes to enable consistent advice to consumers.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of insurers' average premium increases publicly released in a timely manner.	100%	100%	100%	100%	100%	
The number of people covered by private health insurance hospital treatment cover.	10.7m	10.9m	11.1m	11.3m	11.5m	
<b>Program objective</b>						
<b>B. Ensuring access to safe and effective medical devices through the Prostheses List</b>						
The Australian Government will continue to ensure private health insurance expenditure is directed to clinically appropriate prostheses. The evidence-based processes for listing new prostheses and for reviewing listed prostheses continue to be refined and monitored, to improve outcomes and increase public confidence in the process. The Prostheses List Advisory Committee will be reconstituted to include additional expertise, and will further develop and advise on the implementation of changes to the prostheses listing process recommended by the Industry Working Group on Private Health Insurance Prostheses Reform. The Government will also continue to support the National Joint Replacement Registry.						
Qualitative performance criteria		2016-17 Reference point or target				
Ensure consumers have access to safe and effective surgically implanted prostheses under the Prostheses List.		Consumers have access to clinically appropriate and cost-effective surgically implanted prostheses.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of applications to list devices on the Prostheses List completed within 22 weeks.	86%	87%	88%	90%	90%	

<sup>19</sup> Consultation forums are in addition to those which may be convened by the Private Health Sector Committee (refer Program Objective C: *Promoting a viable, sustainable and cost-effective private health insurance sector*).

Program objective	
C. Promoting a viable, sustainable and cost-effective private health insurance sector	
<p>The Australian Government is committed to ensuring that Australians can access private health insurance through a viable, efficient and cost effective private health industry that supports consumer choice. This will be achieved through the Government’s commitment to consult with key stakeholders on the reforms to improve the affordability and value for money of private health insurance for consumers.</p> <p>In 2016- 17, the Government will establish an expert group – the Private Health Sector Committee – to provide technical and specialist advice on designing and implementing the Government’s private health insurance reforms.</p> <p>The Department will continue to inform consumers about changes in premiums.</p>	
Qualitative performance criteria	2016-17 Reference point or target
<i>Establish and work with the Private Health Sector Committee to develop and implement private health insurance reforms.</i>	<i>Meet at least nine times during 2016-17 to provide technical and specialist advice on a range of reform activities.</i>
Ensure that all Health funds complete due diligence when assessing the increase in annual premiums.	Premium round applications demonstrate sufficient capital adequacy, solvency and prudential viability.
Material changes to Program 4.4 resulting from the following measures:	
<ul style="list-style-type: none"> <li>• <i>Pausing Indexation of the Medicare Levy Surcharge and Private Health Insurance Rebate Thresholds – extension</i></li> <li>• <i>Private Health Insurance and Protheses Committees</i></li> </ul>	

Outcome 1 4

**Table 2.4.6 – Performance Criteria for Program 4.5**

<b>Program</b>	<b>4.5: Medical Indemnity</b> The Australian Government seeks to ensure the stability of the medical insurance industry, and that medical indemnity insurance products are available and affordable.	
<b>Purpose</b>	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.	
<b>Delivery</b>	Program activities, intended to benefit the Australian community through support for eligible medical practitioners, will be delivered under the following program objectives: A. Ensuring that insurance products are available and affordable B. Ensuring the stability of the medical indemnity insurance industry	
<b>Program objective</b>		
<b>A. Ensuring that insurance products are available and affordable</b>		
<p>To assist eligible doctors meet the cost of their medical indemnity insurance, the Australian Government funds the Premium Support Scheme (PSS). PSS assists eligible doctors through a subsidy, paid via their medical indemnity insurer, by reducing their medical indemnity costs when a doctor’s gross indemnity premium exceeds 7.5 per cent of their income.</p> <p>The Government aims to ensure that the medical indemnity industry remains stable and secure by subsidising claims resulting in insurance payouts over \$300,000 (High Cost Claims Scheme) and by providing a guarantee to cover claims above the limit of doctors’ medical indemnity contracts of insurance, so doctors are not personally liable for very high claims (Exceptional Claims Scheme).</p> <p>Government-supported, affordable professional indemnity insurance is also available for qualified and experienced privately practising midwives. For eligible claims, the Government contributes 80 per cent to the costs of claims above \$100,000 and 100 per cent of costs above \$2 million.</p>		
<b>Qualitative performance criteria</b>	<b>2016-17 Reference point or target</b>	
The continued availability of professional indemnity insurance for eligible midwives. <sup>20</sup>	Maintain a contract with a medical indemnity provider to provide professional indemnity insurance to eligible midwives.	

<sup>20</sup> In 2014-15, a limited tender process was conducted to continue the provision of professional indemnity insurance for eligible midwives. The outcome is being finalised.

Section 2 – Department Outcomes – 4: Individual Health Benefits

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of eligible applicants receiving a premium subsidy through the Premium Support Scheme.	100%	100%	100%	100%	100%
Percentage of eligible midwife applicants covered by the Midwife Professional Indemnity Scheme.	100%	100%	100%	100%	100%
Number of doctors that receive a premium subsidy support through the Premium Support Scheme. <sup>21</sup>	2,000	1,500	1,500	1,500	1,500
<b>Program objective</b>					
<b>B. Ensuring the stability of the medical indemnity insurance industry</b>					
<p>Medical indemnity insurance provides surety to medical practitioners and their patients in the event of an adverse incident resulting from negligence. Affordable and stable medical indemnity insurance allows the medical workforce to focus on the delivery of high quality medical services.</p> <p>The Australian Government continues to support the provision of a professional indemnity insurance product to eligible midwives to ensure the availability of affordable insurance. This commitment will assist eligible midwives to comply with national registration requirements.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of medical indemnity insurers who have a Premium Support Scheme contract with the Australian Government that meets the Australian Prudential Regulation Authority's Minimum Capital Requirement.	100%	100%	100%	100%	100%
<b>Material changes to Program 4.5 resulting from the following measures:</b>					
There are no material changes to Program 4.5 resulting from measures.					

Outcome 1 4

<sup>21</sup> Premium support is demand driven, with subsidies paid in response to applications from eligible doctors. Therefore, actual funding may vary from estimates over the forward years. However, a decrease in the number of doctors requiring premium support would indicate that medical indemnity premiums are becoming more affordable.

**Table 2.4.7 – Performance Criteria for Program 4.6**

<b>Program</b>	<b>4.6: Dental Services</b> The Government will fund services to child and adult public dental patients through the new Child and Adult Public Dental Scheme.	
<b>Purpose</b>	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.	
<b>Delivery</b>	Program activities, intended to benefit eligible Australians, will be delivered under the following program objectives: A. Improving access to public dental services for children and adults	
<b>Program objective</b>		
<b>A. Improving access to public dental services for children and adults</b>		
In 2016-17, the Government will invest \$1.7 billion until 2019-20, to better target dental programs, by introducing a new Child and Adult Public Dental Scheme. This will provide funding to States and Territories through a National Partnership Agreement with payments based in legislation, to deliver public dental services to children and concession cardholder adults. This new approach will introduce efficient pricing in dental services, along similar lines as activity-based hospitals funding. This will ensure that eligible children and adults will receive improved access to public dental services.		
<b>Qualitative performance criteria</b>	<b>2016-17 Reference point or target</b>	
<i>Improved access to public dental services for eligible patients.</i>	<i>Increase in the volume of public dental services adjusted for complexity.</i>	
<b>Material changes to Program 4.6 resulting from the following measures:</b>		
<ul style="list-style-type: none"> <li>• <i>Child and Adult Public Dental Scheme</i></li> </ul>		

**Table 2.4.8 – Performance Criteria for Program 4.7**

<b>Program</b>	<p><b>4.7: Health Benefit Compliance</b></p> <p>The Australian Government is committed to supporting the integrity of health provider claims through early intervention and identification, as well as detecting and investigating instances of fraud. This will be achieved through the Government’s commitment to assist health providers meet their compliance obligations when claiming Medicare benefits, intervening and correcting claims when honest mistakes occur, and detecting and investigating fraud associated with Medicare provider claiming.</p>
<b>Purpose</b>	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
<b>Delivery</b>	<p>Program activities, intended to benefit the Australian community, will be delivered under the following program objective:</p> <p>A. Supporting the integrity of health provider claiming</p>
<b>Program objective</b>	
<b>A. Supporting the integrity of health provider claiming</b>	
<p>In 2016-17, the Department will maintain a robust health compliance framework to support the integrity of health providers claiming Medicare benefits, and provide assurance to the Department’s Secretary that fraud and non-compliance risk is effectively managed.</p> <p>Through the health compliance operating framework, the Department will establish new techniques to assist health providers better manage appropriate practices and provide more efficient, effective and transparent ways to improve health provider payment integrity.</p> <p>Systems and data continue to impact on the Department’s ability to deliver outcomes to the Australian Government. A number of initiatives have been designed to understand the value of the data held, provide opportunities for different uses of the data and seek efficiencies from current systems processes. As a result of these initiatives, the compliance operating framework will:</p> <ul style="list-style-type: none"> <li>• implement clearer health provider compliance rules for claiming Medicare benefits;</li> <li>• implement the use of data analytics to improve detection capability and the overall audit process;</li> <li>• undertake behaviour economics and research as an alternative treatment to traditional audits;</li> <li>• build workflow efficiencies to enhance health program policy;</li> <li>• undertake ongoing evaluation of the health compliance program;</li> <li>• implement more effective compliance risk identification; and</li> <li>• reform the current health provider compliance debt recovery process.</li> </ul> <p>During 2016-17, the Department will proactively build and maintain relationships with key stakeholders including peak bodies, to better identify key risks and develop effective compliance strategies.</p>	

**Outcome 1 4**

Qualitative performance criteria		2016-17 Reference point or target				
<i>Implement a contemporary compliance program that utilises advanced analytics, effectual tools and behavioural economics to support the integrity of health provider claiming.</i>		<i>Enhanced activities are delivered by 30 June 2017 that contribute to an agreed contemporary compliance program that results in a change in provider claiming practices.</i>				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Complete audits and reviews of health providers including general audits, practitioner reviews and criminal investigations.	N/A <sup>22</sup>	2,500	2,500	2,500	2,500	
Complete audits and reviews of health providers focussed on high risk/ complex compliance issues.	N/A <sup>23</sup>	500	500	500	500	
<b>Material changes to Program 4.7 resulting from the following measures:</b>						
<ul style="list-style-type: none"> <li><i>Healthier Medicare – enhanced Medicare compliance program</i></li> </ul>						

**Table 2.4.9 – Performance Criteria for Program 4.8**

<b>Program</b>	<b>4.8: Targeted Assistance – Aids and Appliances</b> The Australian Government is committed to improving health outcomes for the Australian community through the provision of targeted assistance for aids and appliances.
<b>Purpose</b>	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
<b>Delivery</b>	Program activities, intended to benefit eligible Australians, will be delivered under the following program objectives: A. Improving health outcomes for people with diabetes across Australia through the provision of subsidised products and self-management services B. Assisting people with a stoma by providing stoma related products C. Improving the quality of life for people with Epidermolysis Bullosa

<sup>22</sup> This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

<sup>23</sup> Ibid.



Program objective					
<b>A. Improving health outcomes for people with diabetes across Australia through the provision of subsidised products and self-management services</b>					
<p>The Australian Government, through the National Diabetes Services Scheme (NDSS), aims to ensure that people with diabetes have timely, reliable and affordable access to products and services that help them effectively self-manage their condition.</p> <p>From 1 July 2016, NDSS product supply and delivery will be transferred from Diabetes Australia to the Community Service Obligation distribution network, so that diabetes management products are available through the same supply arrangements as PBS listed medicines, such as insulin.</p> <p>The Government has announced it will introduce market competition and achieve cost efficiencies for the taxpayer and consumers through an open tender process to buy specific NDSS products. The new arrangements will ensure continued access to products required for the self-management of diabetes. These changes will be implemented from 1 July 2018, but work will commence in 2016-17 to support this change.</p> <p>The Government will continue to support the families of children with type 1 diabetes through the Insulin Pump Program (IPP). The IPP aims to increase the affordability of insulin pump therapy for families who have children under the age of 18 with type 1 diabetes but do not have access to other means of reimbursement, such as private health insurance.</p>					
Qualitative performance criteria		2016-17 Reference point or target			
The NDSS meets the needs of stakeholders.		Annual survey of registrants demonstrates that the needs of stakeholders are being met.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of people under 18 years of age, with type 1 diabetes receiving subsidised insulin pumps and associated consumables (under the IPP). <sup>24</sup>	68	68	68	68	68
Number of people with diabetes receiving benefit from the NDSS.	1,326,000 <sup>25</sup>	1,397,803	1,473,494	1,553,284	1,637,394

Outcome 1 4

<sup>24</sup> This performance criterion has been reworded to clarify that it relates to the Insulin Pump Program and that eligible people are provided with insulin pump consumables as well as pumps.

<sup>25</sup> The 2015-16 target has been revised. The target of 1,526,000 published in the 2015-16 Portfolio Additional Estimates Statement was incorrect.

<b>Program objective</b>					
<b>B. Assisting people with a stoma by providing stoma related products</b>					
<p>The Australian Government assists over 40,000 people each year by providing them with stoma related appliances (such as pouches, products to assist irrigation, protective films and seals) through the Stoma Appliance Scheme. There are over 400 products available on the scheme.</p> <p>In 2016-17, the Government will add four new products, delete three superseded products and make changes to two existing product listings, to ensure that people requiring stoma appliances will have access to additional and improved treatment options.</p>					
<b>Quantitative performance criteria</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>
Number of people receiving stoma related products.	43,250	44,000	44,750	45,500	46,250
Average cost per aid and appliance delivered to eligible persons.	Increase at a rate less than CPI	Increase at a rate less than CPI	Increase at a rate less than CPI	Increase at a rate less than CPI	Increase at a rate less than CPI
<b>Program objective</b>					
<b>C. Improving the quality of life for people with Epidermolysis Bullosa</b>					
<p>The National Epidermolysis Bullosa (EB) Dressing Scheme aims to improve the quality of life of patients with EB<sup>26</sup> by improving the affordability of, and access to, clinically necessary dressings and other products for EB wounds.</p>					
<b>Quantitative performance criteria</b>	<b>2015-16 Target</b>	<b>2016-17 Target<sup>27</sup></b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>
Number of people with Epidermolysis Bullosa receiving subsidised dressings.	135	180	185	190	195
Average time from receipt of an approved claim to delivery of aids and appliances.	No increase on prior year	No increase on prior year	No increase on prior year	No increase on prior year	No increase on prior year
<b>Material changes to Program 4.8 resulting from the following measures:</b>					
There are no material changes to Program 4.8 resulting from measures.					

<sup>26</sup> A genetic disease characterised by extremely fragile and blister prone skin.

<sup>27</sup> The targets for 2016-17 and subsequent years have been revised to reflect current number of people receiving subsidised dressings.