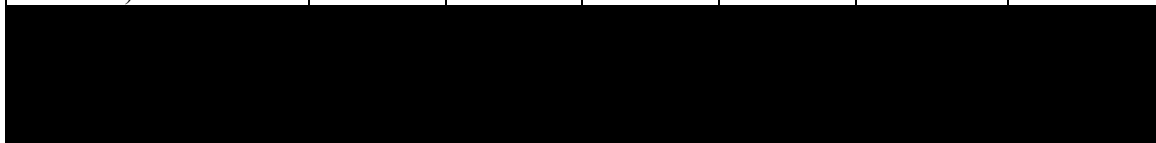


1. MYEFO measure (December costing table per Cabinet decision)

Please note the figures relate to the Administered underlying cash balance of the Department of Health. It does not include the impact on the Department of Human Services or the Department of Veterans' Affairs.

	2014-15 (\$m)	2015-16 (\$m)	2016-17 (\$m)	2017-18 (\$m)	Total (\$m)	2018-19 (\$m)
Indexation freeze (GP until 1/7/2018)	0	+123.5	+275.0	+439.0	\$837.5	+467.0
Indexation freeze (all other items until 1/7/2018)	0	0	+140.6	+293.9	\$434.5	+313.2



Impact of 36 month GP freeze with only flow-ons from 2015-16 (estimated)
THIS WILL STILL BE SAVED

	2014-15 (\$m)	2015-16 (\$m)	2016-17 (\$m)	2017-18 (\$m)	Total (\$m)	2018-19 (\$m)
Indexation freeze (GP until 1/7/2018)	0	+123.5	+143.7	+149.4	\$416.6	+159.6



2. Indexation freeze measures (2013 and 2014 budgets)

2014-15 Budget measure breakdown for indexation of MBS fees (excluding GP items) – (All savings will be realized)

In the 2014-15 Budget, the Government announced the measure *Pausing indexation of some Medicare Benefits Schedule fees and the Medical Levy Surcharge and Private Health Insurance Rebate thresholds*.

The component to suspend the 1 July 2014 indexation of all Medicare Benefits Schedule (MBS) fees for 24 months, except for General Practitioner (GP) attendance items, was projected to save \$986 billion over the forward estimates.

Please note the figures relate to the underlying cash balance of the Department of Health.

	2014-15 (\$m)	2015-16 (\$m)	2016-17 (\$m)	2017-18 (\$m)	Total (\$m)	2018-19 (\$m)
Indexation freeze until 1/7/2016 (exclude GP items)	+123.9	+271.7	+289.7	+306.2	+991.5	+326.3

The 2013-14 Budget measure, Realigning indexation of the Medicare Benefits Schedule (MBS) to align with the financial year

This measure delayed indexation from 1 November 2013 until 1 July 2014. This is only the impact on MBS and does not include the impact on DVA.

	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m	Total \$m
UNDERLYING CASH*	0.0	+143.7	+146.2	+161.8	+163.3	+615.0

3. Indexation of Level B MBS rebate

It is expected that the indexation freeze for a period of three years will have a revenue impact for bulk-billed services of around 5.8% when based on Wage Cost Index (WCI-5) of 1.9% per annum.

Over the period of the indexation freeze a standard Level B GP consultation would receive an estimated benefit of \$2.10 less than without the freeze and the bulk billing incentive (metro) would receive a benefit \$0.35 less as shown in the tables below:

MBS item - benefit		2013-14	2014-15	2015-16	2016-17	2017-18
Level B consultation (MBS item 23)	Freeze	-	\$37.05	\$37.05	\$37.05	\$37.05
	Indexed	\$36.30	\$37.05	\$37.70	\$38.40	\$39.15
Difference		\$0	\$0	\$0.65	\$1.35	\$2.10
Projected services				96,254,349	99,877,205	102,642,363
Cost to index				\$62,565,327	\$134,834,227	\$215,548,962

Of the \$837.5 million in projected savings from the freezing of indexation for GP items as announced in MYEFO, approximately \$413 million is from freezing the indexation of MBS item 23. Please note the indicative indexation figures used here are estimates, and are subject to change.