

OFFICE OF THE PRIME MINISTER

CANBERRA

18 Dec 2003

Sr Jan Barnett RSJ
Conference of Leaders of Religious
Institutes in New South Wales
PO Box 259
ROSEBERY NSW 1445

Dear Sister Jan

Thank you for your correspondence of 21 November 2003 to the Prime Minister regarding funding for health care and the *MedicarePlus* proposal. The Prime Minister has asked me to reply on his behalf

MedicarePlus will ensure that Medicare remains one of the best health systems in the world and strengthen it for future generations. Under *MedicarePlus* the government will be investing a total of \$2.4 billion from now to 2006-07. This adds some \$1.5 billion to the \$917 million funding commitment under A Fairer Medicare.

Under *MedicarePlus* the Government will provide GPs with an additional \$5 payment for every bulk billed visit by a child under 16 or by one of the 7 million Australians covered by a Commonwealth Concession Card. This will provide greater peace of mind to many Australians and their families about the cost of going to a doctor. As has been the case since the beginning of Medicare, doctors can choose to bulk bill any patient.

Subject to the passage of the necessary legislation, *MedicarePlus* will strengthen Medicare by providing a comprehensive national Medicare safety net for all Australians. Medicare currently provides very little protection to patients facing high out-of-pocket costs, particularly in relation to specialists' fees for services provided out of hospital, where levels of bulk billing can be low and gaps can be quite high. The new safety net provides all Australians with the peace of mind that if they do run into a major illness and have unexpectedly large medical bills, there will be an assured level of assistance.

The government has urged the opposition parties to pass the legislation to enable the benefits of the new safety net to become available to all Australians as soon as possible.

One of the biggest health care concerns for many people is being able to find a doctor when they need to see one. This is particularly important because the biggest single driver of affordable health care is the supply of doctors.

MedicarePlus will support Australia's most extensive effort ever to attract and retain our medical workforce. *MedicarePlus* will ensure immediate and sustained growth in the number of doctors and nurses in the places that need them most, such as outer metropolitan areas and in regional and rural Australia.

Free public hospital treatment will continue to be available for all Australians. The Pharmaceutical Benefits Scheme will continue to provide affordable medicines for all Australians. The Medicare rebate for a visit to a GP or specialist will still be available for all Australians.

Through *MedicarePlus* the government is preserving the things we value about Medicare and builds on them It ensures that Medicare is here to stay.

Yours sincerely

John R Perrin
Senior Adviser (Social Policy)