



# Media Release

## Senator Mathias Cormann

### *Liberal Senator for Western Australia*

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## **WA Government still in a muddle over impact of Medicare changes**

Western Australian health officials have confirmed they are being kept in the dark by the Rudd government over the impact on public hospitals of changes to the Medicare Levy Surcharge.

The Senate Economics Committee has been told that the Commonwealth has not offered the States access to its modelling of the impacts of the change to allow States to assess the flow-on costs to public hospitals.

WA Health Department officials told the inquiry that up to 50,000 Western Australians are expected to desert private health cover as a result of the policy change, resulting in an additional demand from 12,500 patients seeking care from public hospitals and costing the State an additional \$53million.

But under questioning from WA Liberal Senator Mathias Cormann the officials have confirmed their analysis is based on outdated Commonwealth Treasury estimates.

Senator Cormann: “But of course you haven’t got access to the Federal government’s modelling so, I mean, there’s an important piece of the jigsaw that is missing is it not?”

Dr Robyn Lawrence (Acting Director General, WA Department of Health): “Absolutely. I think if the Federal government’s modelling is now suggesting a much higher figure of people and there’s some demographic breakdown then that would help refine our analysis further. But at this time it’s very difficult to say, we really don’t know what impact that will have of changing one variable.”

Senator Cormann says the Western Australian analysis is almost meaningless and leaves the State’s taxpayers badly exposed.

“It’s simply not good enough that two months after this change was announced we still don’t have a clear picture of the impact on our public hospitals and what it will cost Western Australian taxpayers.

“St John of God Chief Executive Dr Shane Kelly advised the Committee that St John of God hospitals alone will see a cut of 10,500 procedures they will be able to perform at their hospitals in the first year – and growing after that.

“The Commonwealth Treasury figures the State Government is using have been discredited more than a month ago because they make no allowance for children of people who will drop private health cover.

“As a result the Western Australian analysis massively understates the impact of this change and simply lacks credibility.

“There is a simple way to resolve this. The Commonwealth should hand over its modelling to the States and we can then put some rigour into our estimates of the cost to our State.

“WA Health Minister Jim McGinty was talking tough on this two months ago but appears to have been pulled into line by the Rudd government.

“He has to show some leadership on this issue, demand access to the Commonwealth modelling, properly cost the impact on WA and either claim for 100% compensation or call on the Federal Government to reconsider this ill thought out measure,” Senator Cormann said.

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