



# Senate puts price on Medicare changes

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KEVIN Rudd would have to compensate poor families for health fund premium hikes, spend an extra \$300 million on public hospitals, and regularly index the Medicare levy surcharge threshold if he wants to win Senate approval of his private health budget changes.

They were among the conditions set by the Australian Greens and Family First for their support of the Government's budget decision to lift by \$50,000 a year the income threshold at which the surcharge tax penalty cuts in.

Treasury predicted savings of \$300 million over four years from the policy bet, which assumed an exodus of 485,000 health fund members and subsequent reductions in premium rebates.

A Senate inquiry report tabled yesterday confirmed the Coalition intended to vote against the meas-

ure. Health Minister Nicola Roxon accused the Opposition of standing in the way of almost half a million Australians getting immediate tax relief.

But the economic committee's Liberal Party members, Alan Eggleston and Mathias Cormann, and Nationals member Barnaby Joyce warned it would "impose massive costs" on public hospitals. "The Government and its spin machine has gone to great lengths to create an impression that the only people concerned about the impact of this measure are the vested interests in the health insurance industry and private hospitals," they said.

Greens senator Rachel Siewert disagreed, saying the committee's Labor majority had probably got it right in accusing insurers of exaggerating the drop-out rate. But the bill should not be passed without a guarantee savings would be returned to the public health system.