



## Policy costing request—during the caretaker period for a general election

<b>Name of policy:</b>	Primary Health Networks - Funding
Person requesting costing:	Senator Di Natale
Parliamentary party:	Australian Greens
Date of request to cost the policy:	29 June 2018
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)?	No
Details of the public release of this policy (Date, by whom and a reference to that release):	27 May 2016; Richard Di Natale <a href="http://greens.org.au/primary-care">http://greens.org.au/primary-care</a>
<b>Description of policy</b>	
Summary of policy (as applicable, please attach copies of relevant policy documents):	Providing a pool of funds to Primary Health Networks, equivalent to \$750 for each enrolled patient, with which visits to allied health providers (such as physiotherapists, nutritionists, nurses and psychologists) can be subsidised. Target of one million patients
What is the purpose or intention of the policy?	As part of our health reform package, we wish to extend access to allied health care for patients most in need. This allows local PHNs and doctors to work together to ensure services are available commensurate with the needs of their area, and pay for or subsidise the costs for patients with chronic disease.
<b>What are the key assumptions that have been made in the policy, including:</b>	
Is the policy part of a package? If yes, list the components and interactions with proposed or existing policies.	Yes. Combines with Managing Chronic Disease and Implementing Primary Care Reform to form Greens primary care reform policy
Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount?	Capped to \$750 per enrolled patient annually, but not tied to individual patients. The number of enrolled patients is capped at 1 million per annum

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Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?	N/A			
Are there associated savings, offsets or expenses? If yes, please provide details.	N/A			
Does the policy relate to a previous budget measure? If yes, which measure?	PHNs receive annual funding as part of the health budget.			
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?	N/A			
Will the funding/program cost require indexation? If yes, list factors to be used.	No			
<b>Expected impacts of the proposal</b>				
If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?				
<b>Estimated financial implications (outturn prices)<sup>(a)</sup></b>				
	2016–17	2017–18	2018–19	2019–20
Underlying cash balance (\$m)	-533	-758	-758	-758
Fiscal balance (\$m)	-533	-758	-758	-758
(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.				
What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?	Goal is for 1 million enrolled patients. Assumes 70% enrolment in year 1; 100% enrolment in year 2 \$32 million in departmental expenses (as per previous PBO costing)			
Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?	No			

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<p>What is the expected community impact of the policy?</p> <p>How many people will be affected by the policy?</p> <p>What is the likely take up?</p> <p>What is the basis for these impact assessments/assumptions?</p>	<p>We expect 1 million Australians to enrol with a general practitioner and thus have access to publicly funded allied health services</p>
<p><b>Administration of policy:</b></p>	
<p>Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?</p>	<p>Department of Health through PHNs</p>
<p>Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies).</p>	<p>N/A</p>
<p>Intended date of implementation:</p>	<p>1 July 2017</p>
<p>Intended duration of policy:</p>	<p>Ongoing</p>
<p>Are there transitional arrangements associated with policy implementation?</p>	<p>N/A</p>
<p>List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0).</p>	<p>The following provides background:  <a href="https://grattan.edu.au/report/chronic-failure-in-primary-care/">https://grattan.edu.au/report/chronic-failure-in-primary-care/</a></p>
<p>Are there any other assumptions that need to be considered?</p>	
<p><b>NOTE:</b></p> <p><i>Please note that:</i></p> <p><i>The costing will be on the basis of information provided in this costing request.</i></p> <p><i>The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.</i></p>	