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Sent: Friday, 21 February 2025 3:24 PM

To: s 22 @TREASURY.GOV.AU>; s 22 @treasury.gov.au>

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Subject: RE: Previous bulk billing rebate changes - CPI impact[SEC=PROTECTED]

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- To extent out of pocket costs are reduced by the proposal, this would reduce growth in the medical and hospital services expenditure class in the CPI.
- However, the ABS have advised that GP services make up only around 5% of this expenditure. The expenditure class has a weight of 4.7% per cent of the CPI basket, so the contribution of GP services in headline CPI is less than 0.3%.

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- Department of Health estimates that the proposals will reduce out of pocket costs for patients by around **\$800 million per year**. The remainder of the \$2.4 billion per year cost to government would be captured by service providers s 22
 - Of the \$800 million, around:
 - \$350 million relates to increased bulk billing incentives.
 - \$450 million relates to GP clinics.

Kind regards,

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Director

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