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## THE ADMINISTRATION OF NORFOLK ISLAND

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### REPORT ON HEALTHCARE and MEDIVAC FUNDS for 2013/2014

The following is a report on the Healthcare and Medivac funds for the 2013/2014 financial year.

Considerable financial strain was once again put on the Healthcare and Medivac Funds during the 2013/2014 year with the high cost of overseas medical treatment and above average number of medical evacuations required for Norfolk Island residents during the year.

There were 23 medical evacuations from the Island during 2013/2014, 11 by private specially equipped aircraft and 12 on commercial flights costing a total of \$542,050.12. Income from the Medivac Levy for the year was \$286,035.86 with the Medivac Fund requiring some of the subsidy of \$686,500.00 transferred from the Revenue Fund to assist meet the high cost of Medivacs for the year.

During 2013/2014 \$406,381.27 was paid out of the Fund for local medical costs and \$685,937.54 for overseas medical costs. Income from Healthcare levies for the year was \$962,975.02 with a subsidy of \$686,500.00 being required from the Revenue Fund to assist meet costs, but the Healthcare Fund was able to repay \$200,000.00 of the subsidy amount at the end of the year. During the 2013/2014 year 140 member's claims were paid with two claims in excess of \$50,000.00, three claims over \$25,000.00 and thirteen claims exceeding \$15,000.00.

The Healthcare levy was increased to \$220.00 and the Medivac levy to \$80.00 in March 2014 making a total payment of \$300.00 per quarter. It is expected that the extra income generated by this increase will help ease the financial pressure on the Fund. Another positive for the Healthcare Fund is the acquisition of a permanent doctor at the Hospital and the possibility of another being appointed in the not to distant future. It is hoped that with three permanent doctors the number of overseas referrals may decrease in the future.

The trend of high medical costs and an increasing number of medical evacuations seems set to continue into the future and whilst it is desirable to keep the Healthcare Scheme as affordable as possible, the extra income that will be needed to keep the Fund financially viable will regretfully have to come from the members by way of levy increases.

A handwritten signature in black ink, appearing to read 'Dowling', written over a horizontal line.

Gary Dowling  
Healthcare Manager.  
4<sup>th</sup> November 2014.