Erratum

Insurance Rebates, Incentives and Primary Care in Australia

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Table 1 appearing on page 752 of the article appeared incorrectly as

Table 1 Summary of effects of increase in subsidy on gross (market) price, net price, quantity traded and quantity of services bulk-billed

	Competition				Monopoly			
	p_g	p_n	q	BB	p_g	p_n	q	BB
(a)	$+\Delta p_g = \Delta s$	nc	nc	+	$+\Delta p_g = \Delta s$	nc	nc	+
(b)	$+\Delta p_g < \Delta s$	$-p'_n = 0$	+	+	$+\Delta p_g < \Delta s$	$-p'_n = 0$	+	+
(c)	$+\Delta p_g < \Delta s$	$-p'_n > 0$	+	nc	$+\Delta p_g > \Delta s$	$-p'_n > 0$	+	nc

Notes: These results assume that supply is not perfectly price inelastic and is not backward-bending and that transactions costs are zero; (a) pre- and post-change equilibria characterised by bulk-billing; (b) pre-change equilibrium not characterised by bulk-billing but post-change equilibrium characterised by bulk-billing; (c) neither pre- nor post-change equilibrium characterised by bulk-billing; BB = quantity of services bulk-billed; nc = no change; + = increase, – = decrease.

The above table should have appeared as follows:

Table 1 Summary of effects of increase in subsidy on gross (market) price, net price, quantity traded and quantity of services bulk-billed

	Competition				Monopoly			
	p_g	p_n	q	BB	p_g	p_n	q	BB
(a)	$+\Delta p_g = \Delta s$	nc	nc	+	$+\Delta p_g = \Delta s$	nc	nc	+
(b)	$+\Delta p_g < \Delta s$	$p'_n = 0$	+	+	$+\Delta p_g < \Delta s$	$p'_n = 0$	+	+
(c)	$+\Delta p_g < \Delta s$	$p'_n > 0$	+	nc	$+\Delta p_g < \Delta s$	$p'_n > 0$	+	nc

Notes: These results assume that supply is not perfectly price inelastic and is not backward-bending and that transactions costs are zero.

(a) pre- and post-change equilibria characterised by bulk-billing

(b) pre-change equilibrium not characterised by bulk-billing but post-change equilibrium characterised by bulk-billing

(c) neither pre- nor post-change equilibrium characterised by bulk-billing

BB = quantity of services bulk-billed

nc = no change

+ = increase; – = decrease