

2.2 Budgeted expenses and performance for Outcome 2

Outcome 2: Individual Health Benefits

Ensuring improved access for all Australians to cost-effective and affordable medicines, medical, dental and hearing services; improved choice in health care services, through guaranteeing Medicare and the Pharmaceutical Benefits Scheme; supporting targeted assistance strategies and private health insurance.

Programs contributing to Outcome 2

- Program 2.1: Medical Benefits**
- Program 2.2: Hearing Services**
- Program 2.3: Pharmaceutical Benefits**
- Program 2.4: Private Health Insurance**
- Program 2.5: Dental Services**
- Program 2.6: Health Benefit Compliance**
- Program 2.7: Assistance through Aids and Appliances**

Linked programs

Other Commonwealth entities that contribute to Outcome 2
<p>Australian Taxation Office (ATO)</p> <p>Program 1.12: Private Health Insurance Rebate The ATO contributes to the administration of the Government’s Private Health Insurance Rebate program. The ATO also works with the Department of Health and Aged Care to deliver the Multi-Agency Data Integration Project (2.4).</p>
<p>Department of the Prime Minister and Cabinet (Office for Women)</p> <p>Program 1.1: Prime Minister and Cabinet The Office for Women is overseeing implementation of <i>Working for Women: A Strategy for Gender Equality</i>, which provides a framework for national gender equality approaches, including in relation to gender equity in healthcare access and outcomes (2.1 and 2.3).</p>
<p>Department of Social Services (DSS)</p> <p>Program 1.1: Support for Families Program 1.3: Support for Seniors Program 1.4: Financial Support for People with Disability Program 1.5: Financial Support for Carers Program 1.6: Working Age Payments Program 1.7: Student Payments</p> <p>DSS contributes to providing access to cost-effective medicines, medical, dental, and hearing services by determining income support recipient eligibility for Pensioner Concession Cards, Health Care Cards and Commonwealth Seniors Health Cards, which attract concessions under this Outcome (2.1, 2.2, 2.3, 2.5 and 2.6).</p>

Other Commonwealth entities that contribute to Outcome 2
Department of the Treasury (Treasury)
<p>Program 1.4: Commonwealth-State Financial Relations</p> <p>Treasury provides financial assistance through National Partnership payments to state and territory governments as part of the Federal Financial Relations Framework, which includes funding for the Federation Funding Agreement for access to Elformithine (1.5) and on Public Dental Services for Adults (2.5).</p>
Department of Veterans' Affairs (DVA)
<p>Program 2.1: General Medical Consultations and Services</p> <p>Program 2.3: Veterans' Pharmaceuticals Benefits</p> <p>Program 2.5: Veterans' Counselling and Other Health Services</p> <p>Program 2.6: Military Rehabilitation and Compensation Acts – Health and Other Care Services</p> <p>DVA provides access to general and specialist medical and dental services for its clients (2.1, 2.5 and 2.6).</p> <p>DVA's Repatriation Pharmaceutical Benefits Scheme provides clients access to a comprehensive range of pharmaceuticals and wound dressings for the treatment of their health care needs (2.3).</p>
Hearing Australia
<p>Program 2.2: Hearing Services</p> <p>Hearing Australia provides access to high quality hearing services to eligible people through delivery of the Hearing Services Program (HSP) (2.2).</p>
National Health Funding Body (NHFB)¹
<p>Program 1.1: National Health Funding Pool Administration</p> <p>The Department of Health and Aged Care has lead responsibility for the integrity of health benefits claims and associated compliance activities. The Administrator and the NHFB work with the Commonwealth, states and territories on data matching and the identification of potential duplicate payments through other Commonwealth funded programs to ensure the same public hospital service is not funded twice (2.6).</p>
Professional Services Review (PSR)²
<p>Program 1.1: Safeguarding the Integrity of the Medicare Program and Pharmaceutical Benefits Scheme</p> <p>The PSR contributes to the integrity of the Medicare Benefits, Child Dental Benefits Schedule, and Pharmaceutical Benefits programs by investigating, on request from the Chief Executive Medicare, health practitioners and entities that provide such services who are suspected of inappropriate practice and determining any sanctions to be applied (2.1, 2.5 and 2.6).</p>

¹ Refer to the NHFB chapter in these PB Statements for further information on the work of this entity.

² Refer to the PSR chapter in these PB Statements for further information on the work of this entity.

Other Commonwealth entities that contribute to Outcome 2
<p>Services Australia</p> <p>Program 1.2: Customer Service Delivery</p> <p>Program 1.3: Technology and Transformation</p> <p>Services Australia administers payments to eligible recipients under the following programs:</p> <ul style="list-style-type: none"> - Medicare services and benefit payments, and related Medicare Benefits Schedule items (2.1) - external breast prostheses reimbursements (2.1) - ex-gratia payments for the Disaster Health Care Assistance Scheme (2.1) - Hearing Services Program payments for voucher services and devices (2.2) - the Pharmaceutical Benefits Scheme (2.3) - Lifetime Health Cover mail out and the private health insurance rebate (2.4) - the Child Dental Benefits Schedule (2.5) - payment of claims from stoma associations for stoma-related products (2.7).

Budgeted expenses for Outcome 2

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1: Budgeted expenses for Outcome 2

	2024–25 Estimated actual \$'000	2025–26 Budget \$'000	2026–27 Forward estimate \$'000	2027–28 Forward estimate \$'000	2028–29 Forward estimate \$'000
Program 2.1: Medical Benefits					
Administered expenses					
Ordinary annual services ^(a)	142,143	141,596	114,385	107,331	107,390
Special account					
Medicare Guarantee Fund					
- medical benefits	32,497,570	35,056,834	37,420,681	39,302,895	40,882,083
accrual adjustment	33,241	39,860	39,725	28,030	50,615
Total for Program 2.1	32,672,954	35,238,290	37,574,791	39,438,256	41,040,088
Program 2.2: Hearing Services					
Administered expenses					
Ordinary annual services ^(a)	652,816	687,490	698,983	745,195	745,203
Total for Program 2.2	652,816	687,490	698,983	745,195	745,203
Program 2.3: Pharmaceutical Benefits					
Administered expenses					
Ordinary annual services ^(a)	1,139,326	1,139,538	1,284,900	1,306,113	1,363,328
Special account					
Medicare Guarantee Fund					
- pharmaceutical benefits	19,617,607	20,550,664	20,269,629	20,306,348	20,362,602
accrual adjustment	127,692	(147,752)	(1,817)	521	805
Total for Program 2.3	20,884,625	21,542,450	21,552,712	21,612,982	21,726,735
Program 2.4: Private Health Insurance					
Administered expenses					
Ordinary annual services ^(a)	16,313	8,772	8,628	7,643	7,657
Special appropriations					
<i>Private Health Insurance Act 2007 -</i>					
<i>incentive payments and rebate</i>	7,312,590	7,539,403	7,695,863	7,886,926	8,075,154
Total for Program 2.4	7,328,903	7,548,175	7,704,491	7,894,569	8,082,811
Program 2.5: Dental Services ^(b)					
Administered expenses					
Special appropriations					
<i>Dental Benefits Act 2008</i>	365,397	325,940	324,662	324,538	324,488
Total for Program 2.5	365,397	325,940	324,662	324,538	324,488

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2024–25 Estimated actual \$'000	2025–26 Budget \$'000	2026–27 Forward estimate \$'000	2027–28 Forward estimate \$'000	2028–29 Forward estimate \$'000
Program 2.6: Health Benefit Compliance					
Administered expenses					
Ordinary annual services ^(a)	18,036	20,617	20,617	20,617	16,645
Total for Program 2.6	18,036	20,617	20,617	20,617	16,645
Program 2.7: Assistance through Aids and Appliances					
Administered expenses					
Ordinary annual services ^(a)	3,645	2,378	2,378	2,378	1,762
Special appropriations					
<i>National Health Act 1953</i>					
- aids and appliances	545,380	532,173	553,336	574,936	590,378
Total for Program 2.7	549,025	534,551	555,714	577,314	592,140
Outcome 2 totals by appropriation type					
Administered expenses					
Ordinary annual services ^(a)	1,972,279	2,000,391	2,129,891	2,189,277	2,241,985
Special appropriations	8,223,367	8,397,516	8,573,861	8,786,400	8,990,020
Special account	52,115,177	55,607,498	57,690,310	59,609,243	61,244,685
accrual adjustment	160,933	(107,892)	37,908	28,551	51,420
Departmental expenses					
Departmental appropriation ^(c)	233,171	217,209	200,724	208,641	202,407
Expenses not requiring appropriation in the Budget year ^(d)	3,503	3,762	3,667	3,547	3,547
Total expenses for Outcome 2	62,708,430	66,118,484	68,636,361	70,825,659	72,734,065
	2024–25	2025–26			
Average staffing level (number)	1,065	1,007			

Table has been prepared inclusive of 2024–25 Additional Estimates figures.

- ^(a) Appropriation Bill (No. 1) 2025–2026 and Supply Bill (No. 1) 2025–2026.
- ^(b) Budget estimates for this program exclude National Partnership payments to state and territory governments by Treasury as part of the Federal Financial Relations framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, please refer to Budget Paper 3 or Program 1.9 of Treasury's Portfolio Budget Statements.
- ^(c) Departmental appropriation combines 'Ordinary annual services Appropriation Bill (No. 1)', 'Supply Bill (No. 1)' and 'Revenue from independent sources (s74)'.
- ^(d) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

Performance measures for Outcome 2

Tables 2.2.2 – 2.2.8 details the performance measures for each program associated with Outcome 2. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan, the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2025–26 Budget measures that have created new programs or materially changed existing programs are provided.

Table 2.2.2: Performance measure for Program 2.1

Outcome 2: Individual Health Benefits		
Ensuring improved access for all Australians to cost-effective and affordable medicines, medical, dental and hearing services; improved choice in health care services, through guaranteeing Medicare and the Pharmaceutical Benefits Scheme; supporting targeted assistance strategies and private health insurance.		
Program 2.1: Medical Benefits		
Deliver a modern, sustainable Medicare Benefits Schedule that supports all Australians to access high-quality and cost-effective professional services. Work with consumers, health professionals, private health insurers, and states and territories to continue strengthening Medicare. Provide and improve access to medical and health services for all Australians through a contemporary Medicare Benefits Schedules (MBS) that is based on clinical evidence, and which supports the provisions of high quality services.		
Key Activity	Provide access to subsidised health services. ³	
Year	Performance Measure	Expected Performance Results
Current Year 2024–25	2.1A – Percentage of Australians accessing Medicare Benefits Schedule services.	>90% At risk
Year	Performance Measure	Planned Performance Results
Budget Year 2025–26	As per 2024–25.	>90%
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.

³ Refers to updated key activities that will be reflected in the 2025–26 Corporate Plan.

Program 2.1: Medical Benefits		
Key Activity	Patient visits to Medicare-subsidised General Practitioners.	
Year	Performance Measure	Expected Performance Results
Current Year 2024–25	N/A ⁴	N/A ⁵
Year	Performance Measure	Planned Performance Results
Budget Year 2025–26	2.1B – Percentage of patients who had a GP Non-Referred Attendance claimed through the Medicare Benefits Schedule.	>85%
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.

Program 2.1: Medical Benefits		
Key Activity	Increased bulk billing of GP attendances.	
Year	Performance Measure	Expected Performance Results
Current Year 2024–25	N/A ⁶	N/A ⁷
Year	Performance Measure	Planned Performance Results
Budget Year 2025–26	2.1C – GP Non-Referred Attendance Bulk Billing Rate.	>77.3%
Forward Estimates 2026–29	As per 2025–26.	Annual increase on 2025–26 and further increases for each subsequent year.
Material changes to Program 2.1 resulting from 2025–26 Budget Measures: Restoring Bulk Billing for all Australians. Strengthening Medicare - Expanding Urgent Care Clinics.		

⁴ This is a new performance measure for 2025–26 therefore current year expected performance results are not available.

⁵ Ibid.

⁶ This is a new performance measure for 2025–26 therefore current year expected performance results are not available.

⁷ Ibid.

Table 2.2.3: Performance measures for Program 2.2

Program 2.2: Hearing Services		
Provide high-quality hearing services, including devices, to eligible people to help manage their hearing loss and improve engagement with the community.		
Key Activity	Provide access to high-quality hearing services through the delivery of the Voucher scheme and Community Service Obligations (CSO) components of the Hearing Services Program (HSP).	
Year	Performance Measure	Expected Performance Results
Current Year 2024–25	2.2A – a. Number of active ⁸ vouchered clients who receive hearing services. b. Number of active ⁹ Community Service Obligations clients who receive hearing services.	a. 836,000 b. 70,000 At risk
Year	Performance Measure	Planned Performance Results¹⁰
Budget Year 2025–26	2.2A – a. Number of active ¹¹ voucher scheme clients. b. Number of active ¹² Community Service Obligations clients.	a. 852,000 b. 71,000
Forward Estimates 2026–29	As per 2025–26.	Increase on the previous years' number of (a) active voucher scheme clients and (b) number of active CSO clients: In 2026–27 a. 868,000 b. 72,000 In 2027–28 a. 883,000 b. 74,000 In 2028–29 a. 899,000 b. Planned performance for CSO is not yet available for 2028–29. ¹³
Material changes to Program 2.2 resulting from 2025–26 Budget Measures: Nil		

⁸ 'Active' clients refer to current voucher scheme clients that have accessed one or more program services during the year.

⁹ 'Active' clients refer to CSO clients that have accessed one or more program services during the year.

¹⁰ The Planned Performance Results for the 2025–26 to 2026–28 financial years have been updated following publication of the 2024–25 Corporate Plan. The department's 2025–26 Corporate Plan will provide further information on the updates to the Planned Performance Results.

¹¹ 'Active' clients refer to current voucher scheme clients that have accessed one or more program services during the year.

¹² 'Active' clients refer to CSO clients that have accessed one or more program services during the year.

¹³ The CSO Performance Measure targets are taken from Hearing Australia's Corporate Plan 2024–28. Planned performance for CSO is not yet available for 2028–29.

Table 2.2.4: Performance measures for Program 2.3

Program 2.3: Pharmaceutical Benefits		
Provide all eligible Australians with reliable, timely, and affordable access to high-quality, cost-effective, innovative, clinically effective medicines, and sustainable pharmaceutical services by subsidising the cost of medicines through the Pharmaceutical Benefits Scheme.		
Key Activity	Timely listing of prescription medicines on the Pharmaceutical Benefits Scheme. ¹⁴	
Year	Performance Measure	Expected Performance Results
Current Year 2024–25	2.3A – Percentage of new medicines recommended by the Pharmaceutical Benefits Advisory Committee (PBAC) that are listed on the Pharmaceutical Benefits Scheme within 6 months of in principle agreement to listing arrangements.	≥80% On track
Year	Performance Measure	Planned Performance Results
Budget Year 2025–26	As per 2024–25.	≥80%
Forward Estimates 2026–29	As per 2025–26.	<ul style="list-style-type: none"> • ≥85% in 2026–27 • ≥90% in 2027–28 • ≥90% in 2028–29.

Program 2.3: Pharmaceutical Benefits		
Key Activity	Affordable access to prescription medicines on the Pharmaceutical Benefits Scheme.	
Year	Performance Measure	Expected Performance Results
Current Year 2024–25	N/A ¹⁵	N/A ¹⁶
Year	Performance Measure	Planned Performance Results
Budget Year 2025–26	2.3B – <i>Average cost for prescriptions by consumer for PBS medicines.</i>	\$7.50
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 2.3 resulting from 2025–26 Budget Measures: Even Cheaper Medicines.		

¹⁴ Refers to updated key activities that will be reflected in the 2025–26 Corporate Plan.

¹⁵ This is a new performance measure for 2025–26 therefore current year expected performance results are not available.

¹⁶ Ibid.

Table 2.2.5: Performance measures for Program 2.4

Program 2.4: Private Health Insurance		
Promote affordable, cost-effective, quality private health insurance (PHI) and choice for consumers.		
Key Activity	Assessment of private health insurer premium change applications.	
Year	Performance Measure	Expected Performance Results
Current Year 2024–25	2.4A – Percentage of applications to the Minister from private health insurers to change premiums charged under a complying health insurance product that are assessed within approved timeframes.	100% On track
Year	Performance Measure	Planned Performance Results
Budget Year 2025–26	As per 2024–25.	100%
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.

Program 2.4: Private Health Insurance		
Implementation of private health insurance clinical category and procedure type classifications for Medicare Benefits Schedule (MBS) item changes.		
Year	Performance Measure	Expected Performance Results
Current Year 2024–25	N/A ¹⁷	N/A ¹⁸
Year	Performance Measure	Planned Performance Results
Budget Year 2025–26	2.4B – <i>The percentage of PHI clinical category and procedure type classifications¹⁹ which are implemented concurrently with associated MBS item changes.²⁰</i>	100%
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 2.4 resulting from 2025–26 Budget Measures: Nil		

¹⁷ This is a new performance measure for 2025–26 therefore current year expected performance results are not available.

¹⁸ Ibid.

¹⁹ Further information on clinical categories for private health insurance hospital product tier arrangements can be found at: www.health.gov.au/resources/publications/private-health-insurance-clinical-category-definitions-1-january-2025

²⁰ Further information on MBS items can be found at: mbsonline.gov.au

Table 2.2.6: Performance measure for Program 2.5

Program 2.5: Dental Services		
Support eligible children to access essential dental health services through the Child Dental Benefits Schedule (CDBS).		
Key Activity	Continuing to work with Services Australia to increase awareness of the CDBS program to support eligible children to access essential dental health services. ²¹	
Year	Performance Measure	Expected Performance Results
Current Year 2024–25	2.5A – The percentage of eligible children accessing essential dental health services through the Child Dental Benefits Schedule.	38.5% ²² At risk
Year	Performance Measure	Planned Performance Results
Budget Year 2025–26	As per 2024–25.	39.3% ²³
Forward Estimates 2026–29	As per 2025–26.	<ul style="list-style-type: none"> • 40.1% in 2026–27 • 41.0% in 2027–28 • 41.8% in 2028–29.
Material changes to Program 2.5 resulting from 2025–26 Budget Measures: Nil		

²¹ Refers to updated key activities that will be reflected in the 2025–26 Corporate Plan.

²² As the CDBS is a demand driven program, performance of the program relies on children attending a dental provider and claiming under the program. The Department of Health and Aged Care is working collaboratively with Services Australia to increase awareness of the CDBS.

²³ Ibid.

Table 2.2.7: Performance measure for Program 2.6

Program 2.6: Health Benefit Compliance		
Support the integrity of health benefit claims through prevention, early identification and treatment of incorrect claiming, inappropriate practice and fraud.		
Key Activity	Ensuring audits, reviews and investigations are targeted effectively at providers whose claiming is potentially non-compliant. ^{24,25}	
Year	Performance Measure	Expected Performance Results
Current Year 2024–25	2.6A – Percentage of completed audits, practitioner reviews and investigations that find non-compliance.	>80% On track
Year	Performance Measure	Planned Performance Results
Budget Year 2025–26	As per 2024–25.	>80%
Forward Estimates 2026–29	As per 2025–26.	<ul style="list-style-type: none"> • >80% in 2026–27 • >82% in 2027–28 • >82% in 2028–29.
Material changes to Program 2.6 resulting from 2025–26 Budget Measures: Nil		

²⁴ The department measures effectiveness of this program by identifying potentially incorrect claiming data and applying treatment through audits, practitioner reviews and/or investigations. Treatment activities may result in the recovery of incorrectly paid benefits, or the referral of cases to the Professional Services Review or Commonwealth Director of Public Prosecutions.

²⁵ Refers to updated key activities that will be reflected in the 2025–26 Corporate Plan.

Table 2.2.8: Performance measure for Program 2.7

Program 2.7: Assistance through Aids and Appliances		
Improve health outcomes for the Australian community through the provision of targeted assistance for aids and appliances.		
Key Activity	Deliver the National Diabetes Services Scheme, with the assistance of Diabetes Australia.	
Year	Performance Measure	Expected Performance Results
Current Year 2024–25	2.7A – Number of people accessing subsidised products through the National Diabetes Services Scheme.	>750,000 On track
Year	Performance Measure	Planned Performance Results
Budget Year 2025–26	As per 2024–25.	>750,000
Forward Estimates 2026–29	As per 2025–26.	As per 2025–26.
Material changes to Program 2.7 resulting from 2025–26 Budget Measures: Nil		

