



The impact of bulk billing investments on GP earnings and billings

27 March 2025

What is changing?

From 1 November 2025, for the first time, the Australian Government will expand GP bulk billing incentives to all Medicare-eligible people and create an additional new incentive payment for practices that bulk bill every patient.

The government will support thousands of general practices to bulk bill every patient, for every visit, with the launch of a new Bulk Billing Practice Incentive Program. Whatever your practice offers or specialises in, as long as it bulk bills every Medicare Benefits Schedule (MBS) GP non-referred service, it will receive a significant boost to Medicare payments. This includes time-tiered consultation items, health assessments, mental health treatment items and chronic disease management items. A full list of GP NRA services is available [on the department's website](#).

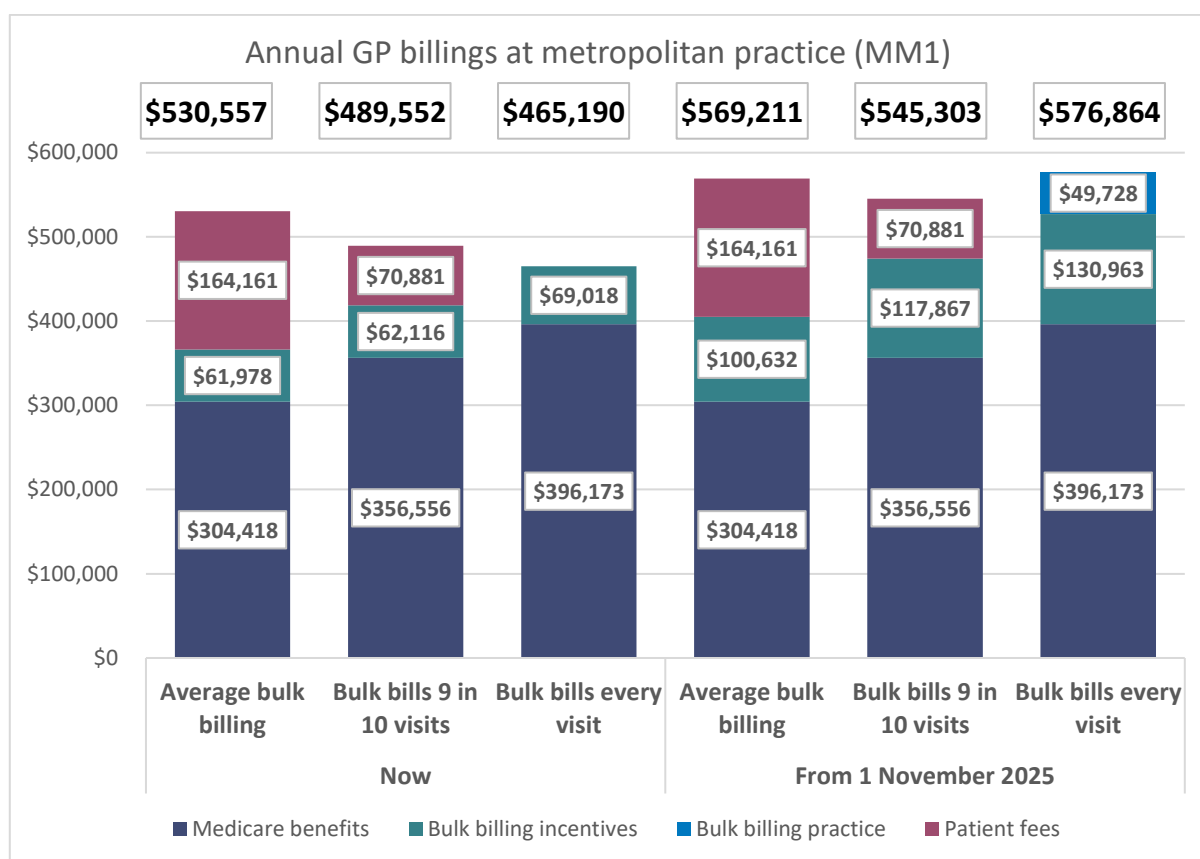
In addition to MBS bulk billing incentives, practices who join the Bulk Billing Practice Incentive Program will receive a quarterly 12.5% incentive payment calculated on all of their GP NRA Medicare benefits. This will support GPs and practices to provide high quality bulk billed care: to grow their teams, upgrade their facilities and expand their services. The combined investment means around 4,800 practices will be in a better financial position if they adopt full bulk billing – meaning they will receive more in Medicare payments than they currently receive in patient fees.

How will GPs benefit?

At the moment, a bulk billing GP earns less than their mixed billing or privately billing colleagues for providing the same number of services. The government's investment fixes that, by increasing the financial reward a GP receives when they bulk bill, closing the gap between a fully bulk billing GP and a mixed billing GP.

Assuming they provide the same number of services – and using Medicare data for bulk billing rates, patient fees, and MBS benefits – we can see that at metropolitan practices there is an approximately \$45,000 gap in annual earnings between a GP with average rates of bulk billing¹ and a GP that bulk bills every visit.

¹ For the purpose of this Fact Sheet, a 'GP with average rates of bulk billing' refers to a GP with the average split of services to BBI eligible patients (aged under 16 or holders of Commonwealth concession cards) and who bulk bills each at the average rate (details in the FAQ section below).



Annual GP billings at a metropolitan practice (MM1) (2023-24)

| | Average bulk billing | Bulk bills every visit | Difference |
|------------------------------------|----------------------|------------------------|------------|
| Total annual billings | \$530,557 | \$465,190 | -\$65,367 |
| Fee to practice (30%) ² | \$159,167 | \$139,557 | -\$19,610 |
| Annual GP earnings | \$371,390 | \$325,633 | -\$45,757 |

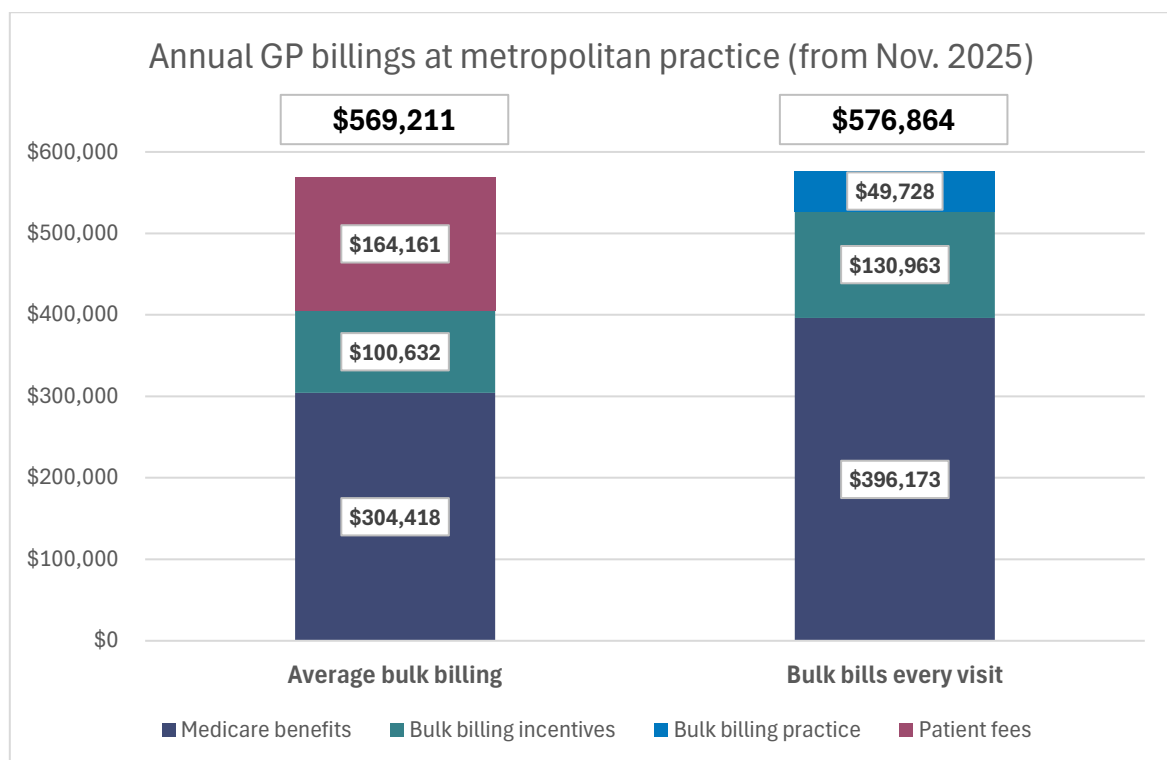
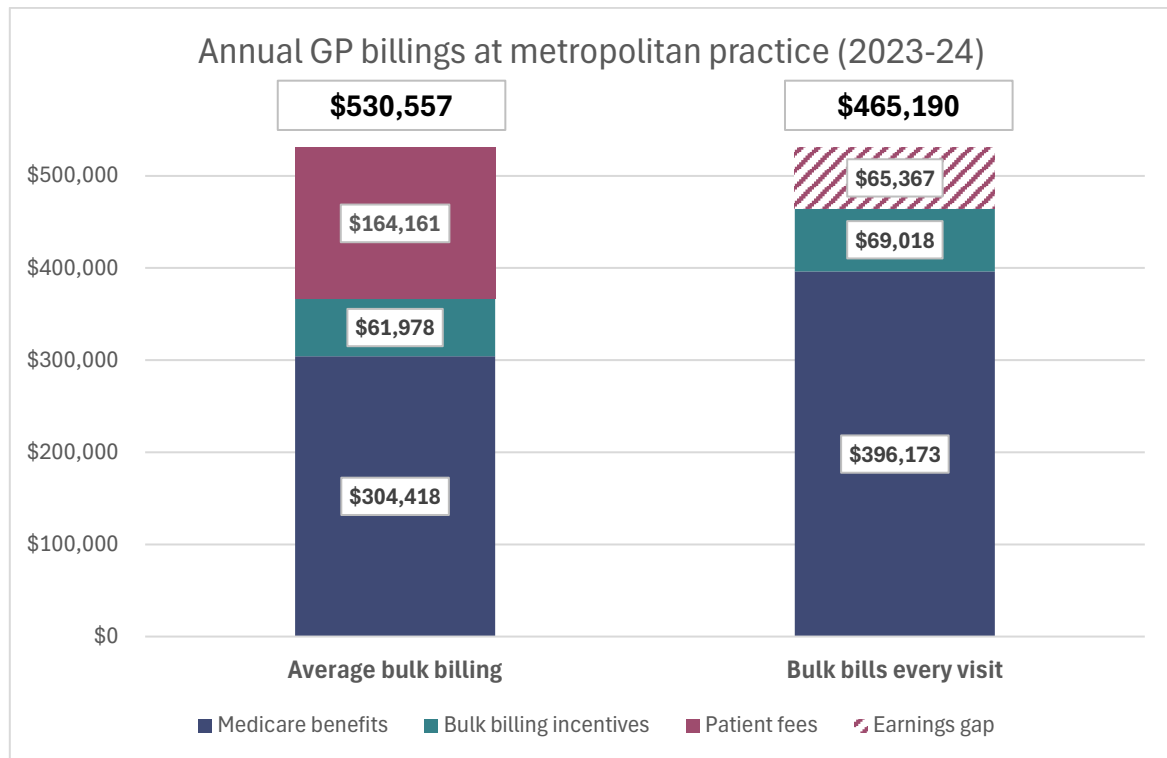
At a rural general practice, that gap is smaller, though still significant:

Annual GP billings at a rural practice (MM3-4) (2023-24)

| | Average bulk billing | Bulk bills every visit | Difference |
|-----------------------|----------------------|------------------------|------------|
| Total annual billings | \$577,175 | \$530,412 | -\$46,763 |
| Fee to practice (30%) | \$173,153 | \$159,124 | -\$14,029 |
| Annual GP earnings | \$404,022 | \$371,288 | -\$32,734 |

The new investments will bridge that gap, so that fully bulk billing GPs receive the same as mixed billing GPs for providing the same number of services.

² Most GPs contribute a portion of their MBS billings or patient fees to the General Practice they work at to cover costs of running the Practice. The size of the contribution varies, but recent industry benchmarks suggest a 30% practice fee is becoming the norm.



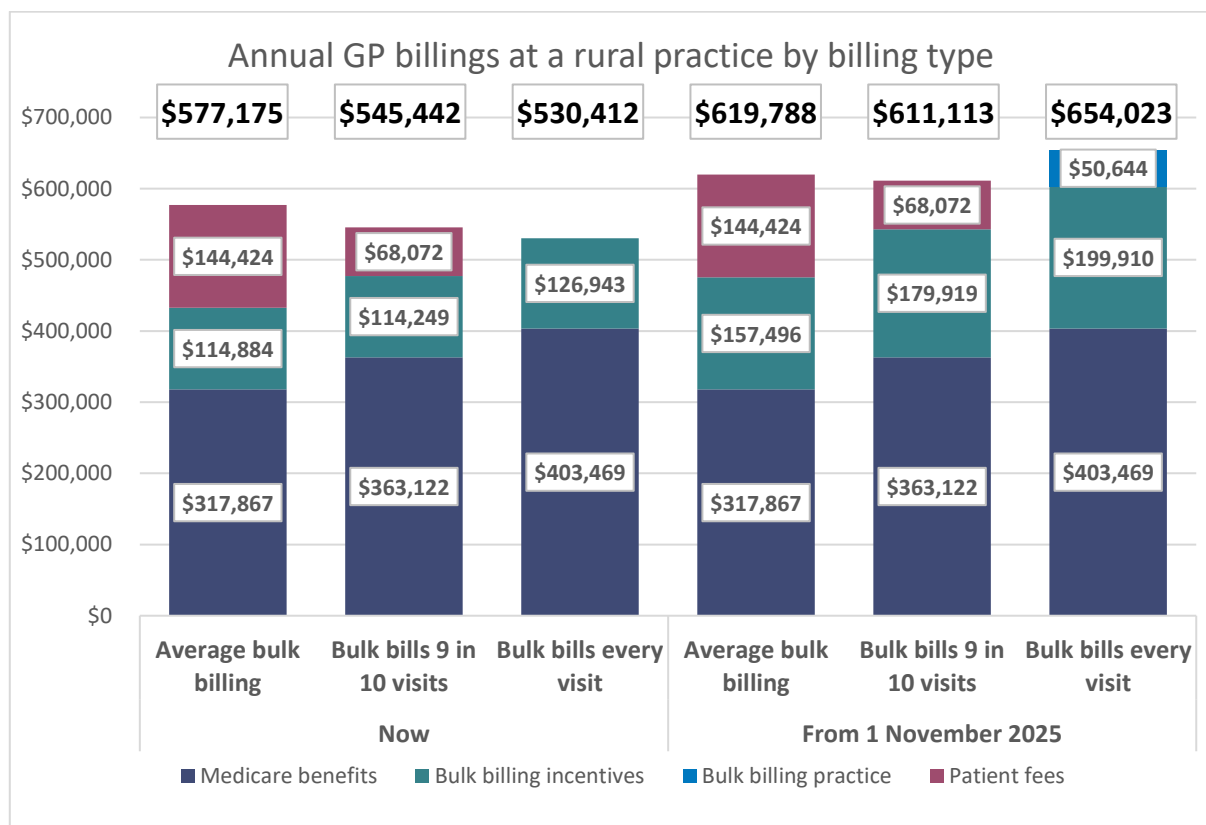
Annual GP billings at a metropolitan practice (MM1) (from 1 November 2025)

| | Average bulk billing | Bulk bills every visit | Difference |
|-----------------------|----------------------|------------------------|------------|
| Total annual billings | \$569,211 | \$576,864 | \$7,653 |
| Fee to practice (30%) | \$170,763 | \$173,059 | \$2,296 |
| Annual GP earnings | \$398,448 | \$403,805 | \$5,357 |

At a rural practice, GPs that bulk bill every visit will receive significantly more than those with average rates of bulk billing.

Annual GP billings at a rural practice (MM3-4) (from 1 November 2025)

| | Average bulk billing | Bulk bills every visit | Difference |
|-----------------------|----------------------|------------------------|------------|
| Total annual billings | \$619,788 | \$654,023 | \$34,235 |
| Fee to practice (30%) | \$185,936 | \$196,207 | \$10,271 |
| Annual GP earnings | \$433,852 | \$457,816 | \$23,964 |



How have GPs benefited from Strengthening Medicare reforms?

As part of the 2023-24 Budget, the Australian Government invested \$3.5 billion to triple the bulk billing incentive that general practitioners receive to bulk bill children under 16, pensioners and other Commonwealth concession cardholders. That Budget also updated the indexation methodology for Medicare benefits to increase the rate of annual indexation and included an additional one-off boost to indexation in the 2023-24 financial year.

These investments saw a significant increase in GP billings and earnings. The combined impact of the reforms to bulk billing in the 2023-24 Budget and 2025-26 Budget, alongside an increase in the rate of Medicare indexation, will make it financially viable for GPs to bulk bill all patients.

Impact of Strengthening Medicare reforms on GP earnings (Metro)

| GP earnings | Average bulk billing | Bulk bills every visit |
|---|----------------------|------------------------|
| Before reforms (2022-23) | \$319,443 | \$280,051 |
| After tripled bulk billing incentive | \$371,390 | \$325,633 |
| From 1 November 2025 | \$398,448 | \$403,805 |
| Increase (2022-23 to after 1 Nov) | \$79,005 | \$123,754 |

At a metropolitan practice (MM1), GPs have experienced an increase in their billings and earnings since 2022-23, driven by larger bulk billing incentives. GPs with higher rates of bulk billing have benefited the most. This will continue once the new investment takes effect on 1 November 2025.

At a rural practice (MM3-4), the additional investment has had an even larger impact, driven by the higher bulk billing incentives in rural areas, which scale in line with the remoteness classification of the GP practice.

Impact of Strengthening Medicare reforms on GP earnings (Rural – MM3-4)

| GP earnings | Average bulk billing | Bulk bills every visit |
|---|----------------------|------------------------|
| Before reforms (2022-23) | \$336,567 | \$302,612 |
| After tripled bulk billing incentive | \$404,022 | \$371,288 |
| From 1 November 2025 | \$433,851 | \$457,816 |
| Increase (2022-23 to after 1 Nov) | \$97,284 | \$155,204 |

FAQs

What is the basis for the calculations presented in this factsheet?

The calculations are based on the ['GP Earnings Calculator'](#) provided by General Practice Registrars Australia, which is modelled on standards set by the Royal Australian College of General Practitioners.

The calculation demonstrates the impact of the Australian Government's additional investments on an average GP working in either a metropolitan or rural GP practice.

The calculations then use Medicare data across all 140 million GP services delivered across metropolitan and rural areas during 2023-24 to find the national averages and calculate the impact for a full-time GP providing:

- the average mix of Medicare services
- to the average mix of concessional and non-concessional patients
- at the average rate of bulk billing for each patient type
- charging the average patient fee for services that aren't bulk billed
- receiving the average Medicare benefit for services that are bulk billed
- receiving the average bulk billing incentive for eligible patient services (average from November 2023 to June 2024).

The calculation then uses those averages to calculate the earnings for a GP working fulltime hours. This calculation is an extension of the practice-level modelling conducted by the Department of Health and Aged Care.

What are the data inputs into the calculations?

The calculations are based on the ['GP Earnings Calculator'](#) provided by General Practice Registrars Australia, which is modelled on standards set by the Royal Australian College of General Practitioners.

In line with this, a full-time GP is assumed:

- to deliver 4 services an hour and work for 3.8 hours per session, for 10 sessions per week, with 4 weeks of annual leave a year
- to retain 70% of billings and pass through 30% of billings to the general practice, to cover its costs and profits.

According to Medicare data, across all 140 million GP services delivered in either metropolitan or rural practices during 2023-24, the national averages for bulk billing rates, fees and MBS benefits are:

| National averages | Metropolitan practices (MM1) | Rural practices (MM3-4) |
|---|------------------------------|-------------------------|
| Proportion of services delivered to concessional patients | 53% | 64% |
| Bulk billing rate for concessional patient services | 90% | 91% |

| National averages | Metropolitan practices (MM1) | Rural practices (MM3-4) |
|---|------------------------------|-------------------------|
| Bulk billing rate for non-concessional patient services | 62% | 58% |
| Patient fee for non-bulk billed services | \$97.15 | \$93.30 |
| Medicare benefit for services | \$54.30 | \$55.30 |
| Medicare benefit for bulk billing incentives | \$17.95 | \$27.40 |

Does the department's existing modelling apply the same calculations and assumptions?

No, it does not.

The Department of Health and Aged Care has modelled the impact down to the individual practice level for more than 6,500 general practices enrolled in the Practice Incentives Program (PIP), which is the largest dataset of general practice billing in Australia.

This fact sheet is an extension of that modelling, though uses a different set of assumptions and calculations to demonstrate the impact on GP billings and earnings for three GP billing models.

How has the impact of the government's investments been modelled on GP practices?

The Department of Health and Aged Care has Medicare data for more than 164 million GP services each year, including where the service was provided and how much a patient was charged if that service wasn't bulk billed.

The department also has Medicare data for more than 6,500 general practices enrolled in the Practice Incentives Program (PIP), in what is the largest dataset of general practice billing in Australia.

Using both the PIP and Medicare datasets, the department has modelled the following information down to the individual practice level:

- location and remoteness classification of practice
- bulk billing rate for concessional and non-concessional patients
- number and type of Medicare services billed
- revenue from Medicare benefits
- revenue from patient charges.

To understand the impact of the Australian Government's additional investment in bulk billing, the impact on every general practice in the PIP dataset has been modelled.

If an individual practice would receive more in additional Medicare payments from bulk billing every patient than it currently receives from charging some patients, then that practice would be in a better financial position from adopting full bulk billing.

The department's modelling estimates around 4,800 general practices will be in a better financial position if they adopt full bulk billing - meaning they will gain more in additional Medicare payments than they would lose in patient fees.

Those 4,800 practices will receive an average of \$344,000 in additional funding a year, with the exact amount depending on a range of factors like the number and type of services delivered, its location and remoteness classification, its bulk billing rate and revenue from patient charges.

What does the investment mean for a GP that provides longer consultations?

The calculations in this fact sheet show that a GP that bulk bills every visit will earn the same, or more, than a mixed billing GP, for providing the same number of services.

This investment boosts Medicare payments for a range of GP NRA services, including most time-tiered consultation items, for example longer consultations, health assessments, mental health treatment items and chronic disease management items, mental health plans and chronic condition management.

The table below includes some, not all, of the common GP NRA services that will increase as a result of the expansion of bulk billing incentives to all Medicare-eligible patients, and the new Bulk Billing Practice Incentive Program payment.

| Common GP visits | Current Medicare rebate** | New total Medicare payment at a Bulk Billing Practice* | | | | |
|--|---------------------------|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | MM1 | MM2 | MM3-4 | MM5 | MM6 |
| Standard consultation 6 to <20 minutes (Level B) | \$42.85 | \$69.56 (up 62%) | \$80.71 (up 88%) | \$82.71 (up 93%) | \$84.86 (up 98%) | \$86.91 (up 103%) |
| Long consultation 20 to <40 minutes (Level C) | \$82.90 | \$114.61 (up 38%) | \$125.76 (up 52%) | \$127.76 (up 54%) | \$129.91 (up 57%) | \$131.96 (up 59%) |
| Longer consultation 40 to <60 minutes (Level D) | \$122.15 | \$158.77 (up 30%) | \$169.92 (up 39%) | \$171.92 (up 41%) | \$174.07 (up 43%) | \$176.12 (up 44%) |
| Mental Health Plan 20 to <40 minutes (#2700) | \$81.70 | \$99.06 (up 21%) | \$102.71 (up 26%) | \$103.36 (up 27%) | \$104.11 (up 27%) | \$104.76 (up 28%) |
| Mental Health Plan 40+ minutes (#2701) | \$120.25 | \$142.43 (up 18%) | \$146.08 (up 22%) | \$146.73 (up 22%) | \$147.48 (up 23%) | \$148.13 (up 23%) |
| GP Management Plan (#721) | \$164.35 | \$192.04 (up 17%) | \$195.69 (up 19%) | \$196.34 (up 19%) | \$197.09 (up 20%) | \$197.74 (up 20%) |

* Totals include item Medicare rebate, Bulk Billing Incentive item rebate, and 12.5% Bulk Billing Practice Incentive Program payment.

** Rebates will increase in line with indexation on 1 July 2024.

Why does a GP with ‘average bulk billing’ earn more from 1 November 2025, without increasing how much they bulk bill?

Around 1 in 4 services that GPs provide are bulk billed services to non-concessional patients (adults without a concession card) for which the GP receives only the Medicare benefit.

That means 1 in 4 services that a GP delivers are bulk billed, without receiving a bulk billing incentive.

From 1 November 2025, those 1 in 4 services will receive a bulk billing incentive on top of the Medicare benefit.

This will support GPs to reduce their reliance on patient fees and increase the availability of bulk billing for all their patients.

Will any general practices have lower billings or earnings from 1 November 2025?

No. Every single GP and general practice will receive additional Medicare payments from 1 November 2025, because every patient will be eligible for bulk billing incentives.

At the moment, around 1 in 4 services that GPs provide are bulk billed services to non-concessional patients (adults without a concession card) for which the GP receives only the Medicare benefit.

That means 1 in 4 services that a GP delivers are bulk billed, without receiving a bulk billing incentive. From 1 November 2025, those 1 in 4 services will receive a bulk billing incentive on top of the Medicare benefit.

This means every GP and general practice will receive have higher billings and larger earnings from 1 November 2025, if they maintain their current billings. GPs and practices that are fully bulk billing will see the largest increase to billings and earnings.

Are the new bulk billing incentives indexed?

Bulk billing incentives are indexed annually.

In the 2023-24 Budget, the Australian Government updated the indexation methodology for Medicare benefits to increase the rate of annual indexation and included an additional one-off boost to indexation in the 2023-24 financial year.

The new Bulk Billing Practice Incentive Program provides a quarterly 12.5% incentive on top of the Medicare benefit for the service delivered. As the Medicare benefit for those services is indexed each year, the value of the 12.5% will also increase, since it is calculated on the value of the underlying Medicare benefit.

Why do the calculations include a Medicare benefit higher than a standard Level B consultation?

While a standard Level B consultation (MBS item 23) is the most commonly provided GP service, it is not the only service that GPs provide.

GPs also provide longer consultations, Mental Health Care Plans and GP Management Plans which have higher Medicare benefits, as well as shorter consultations like Level A consultations, which have lower Medicare benefits.

The average Medicare benefit used in the calculation is the average Medicare benefit across all GP services provided in metropolitan and rural areas in 2023-24 and thus provides a more accurate picture of the mix of services that a GP provides, than just using the Level B benefit.

Why don't the annual GP billings match my annual billings?

The annual billings in the calculations are based on averages of every GP service provided in metropolitan and rural areas in the 2023-24 financial year, with the assumptions included above. The analysis is based on the location of the individual GP providers that deliver services within metropolitan (MM1) and rural (MM3 and MM4) areas.

The extent to which a GP benefits from the government's bulk billing investments will ultimately be determined by a range of factors, including the extent to which they commit to bulk billing or become part of a GP bulk billing practice once the new investments take effect from 1 November 2025.