# Assignment of Benefit for Simplified Billing Services

11 February 2026

Australian Government
Department of Health, Disability and Ageing

Services Australia

health.gov.au
servicesaustralia.gov.au

# Assignment of Medicare Benefits (AOB) – what is it?

The process for a patient to have their Medicare benefit paid to someone else.

For hospital and hospital-substitute treatment, this is usually to a private health insurer or an approved billing agent.

The *Health Insurance Act 1973* sets out the legal requirements for this process.

# Overview of legislative changes

## Health Insurance Legislation Amendment (Assignment of Medicare Benefits) Act 2025

## (AOB Act 2024)

Amends the *Health Insurance Act 1973*

Removes the requirement for an 'approved form'

Sets out two assignment pathways: 'implied assignment' and 'requested assignment'

Enables regulations to be made for simplified billing assignments

## Health Legislation Amendment (Miscellaneous Measures No. 1) Act 2025

## (HLA Act 2025)

Amends the *Health Insurance Act 1973* and the AOB Act 2024

AOB Act 2024 commencement date of 1 July 2026

Clarifies who can be the assignor

Enable patients to also receive a notification from an insurer or billing agent when a Medicare benefit is paid.

Remove the requirement for mandatory notification to assignors if the medical practitioner, hospital, organisation modifies the original assignment request

## Health Insurance Amendment (Assignment of Medicare Benefits and Other Measures) Regulations 2025

## (AOB Regulations 2025)

Amends the *Health Insurance Regulations 2018*

Separates the particulars required for a requested assignment to requirements for an account or receipt.

Sets out period of retention of records.

Introduces the requirement for a claims declaration for all simplified billing claims.

# 2026 Simplified Billing Regulation Changes

To align the *Health Insurance Amendment (Assignment of Medicare Benefits and Other Measures) Regulations 2025* with the HLA Act 2025. The following amendments are proposed:

- Clarify who can be covered by an assignment.
- Remove clauses relating to provider notifications to assignors for modified requested assignments.
- Including the patient as a person who can receive a notification from the insurer or billing agent.

These changes do not introduce any new requirements that are not already set out in the AOB Act 2024, the AOB Regulations 2025, or the HLA Act 2025.

# Simplified billing assignment pathways

| Pathway | Context | Key Message | Who is making the claim | | Private Health Insurer or Billing Agent |
|---|---|---|---|---|---|
| | | | **Health professional** | **Hospital/Organisation** | |
| **Implied Assignment** | An insurer arrangement applies to the service<br><br>(e.g., gap cover agreements or MPPAs, etc.). | An automatic assignment of the Medicare benefit to a private health insurer or approved billing agent.<br><br>No explicit patient signature or request is required. | • Complete the claims declaration when submitting a claim<br>• Retain records relevant to the assignment | • Complete the claims declaration when submitting a claim<br>• Retain records relevant to the assignment | |
| **Requested Assignment** | An insurer arrangement does <u>not</u> apply to the service<br><br>(e.g., contracts relating to hospital accommodation, theatre fees, etc. but not medical services). | A manual assignment request by the patient (assignor). Facilitated by the medical provider, hospital, or organisation.<br><br>Can occur before or after the service (ideally before as part of IFC).<br><br>Can be conducted digitally or in any written format. | • Health professional needs to facilitate the assignor's request to assign the Medicare benefit to the insurer or billing agent<br>• Give the assignor a copy of the assignment (if requested)<br>• Obtain assignor's written approval if assignment needs to be modified<br>• Complete the claims declaration when submitting a claim<br>• Retain relevant records | • Hospital/organisation needs to facilitate the assignor's request to assign the Medicare benefit to the insurer or billing agent<br>• Give the assignor a copy of the assignment (if requested)<br>• Obtain assignor's written approval if assignment needs to be modified<br>• Complete the claims declaration when submitting a claim<br>• Retain relevant records | • Notify the assignor and/or patient within 6 months of receiving the Medicare benefit<br>• Retain relevant records |

## Informed Financial Consent Process

*Blue text is anticipated change to current processes.

| | Initial Discussion with Practitioner (Surgeon) | Pre-Admission and Eligibility Check Processes | | Services | Claims Submission | Claims and Benefits Processing | | After Benefit Payment |
|---|---|---|---|---|---|---|---|---|
| **Patient or Assignor** | Agrees to treatment and associated costs | Agrees to treatment and associated costs | Elects to be treated as a private patient **and agrees to assign the Medicare benefit** | Receives services | | | | **Receives notification of Medicare benefits they have assigned** |
| **Medical Practitioner** | Discusses treatment **and facilitates a request to assign the Medicare benefit** | Conducts an eligibility check | Discusses treatment with patient **and facilitates a request to assign the Medicare benefit** | Renders services | Submits relevant claims for payment to Medicare or the insurer **with the assignment declaration** | | Receives Medicare and PHI benefits from the insurer | |
| **Hospital** | | Conducts an eligibility check | Discusses admission and costs with patient **and facilitates a request to assign the Medicare benefit** | | | | | |
| **Organisation** | | Discusses hospital-substitute treatment **and facilitates a request to assign the Medicare benefit** | | | | | | |
| **Private Health Insurer** | | Responds to eligibility check **(which includes additional fields in OEC)** | | | Processes manual claims to Medicare for Medicare benefit | Assesses ECLIPSE claims | Pays the relevant provider Medicare and PHI benefits | **Provides patient or assignor with notification of assigned Medicare benefits received.** |
| **Approved Billing Agent** | | | | | Submits claims for payment to Medicare **with the assignment declaration** | Submits Statement of Medicare benefits to insurer for PHI benefits | Receives and manages Medicare and PHI benefits | |



# Requested Assignment Process

# Information provided to assignor – Requested assignment

| Information | Request facilitated by operator of hospital (Hospital treatment) | Request facilitated by an organisation (Hospital-substitute treatment) | Request facilitated by a health professional (Hospital-substitute treatment) |
|---|---|---|---|
| Patient's name | Patient's name | | |
| Patient's PHI details | Name of patient's private health insurer, and the patient's membership number or PHI identifier | | |
| Who is the request being made to | Name of operator of hospital | Name of organisation | Name of health professional |
| Date | Date of admission or date of service | | |
| Health professional/s covered by the assignment request | Either: list of health professionals covered by the assignment OR a statement that the assignment covers all health professionals authorised by the hospital operator to provide treatment to the patient | Either: list of health professionals covered by the assignment OR a statement that the assignment covers all health professionals authorised by the organisation to provide treatment to the patient | Name of health professional |
| Description of hospital/hospital-substitute treatment | Description of hospital treatment | Description of hospital-substitute treatment | Description of hospital-substitute treatment |
| Who the benefit/s are assigned to | Name of private health insurer OR approved billing agent | | |
| Location where service/s are rendered | Name of hospital, address, OR a statement that it is rendered in a private residence | Address OR a statement that it is rendered in a private residence | Address OR a statement that it is rendered in a private residence |

# System and process changes – In-Patient Medical Claim Web Service (IMCW)

As per the 'Simplified billing assignment pathways' slide discussed by DHDA, the user will need to select the relevant assignment pathway in the benefitAssignmentAuthorisedInd field in IMCW AG, SC, MB and MO when submitting a claim.

| Pathway | Data Element |
|---|---|
| **Implied Assignment** | Indicated by selecting 'I' in the benefitAssignmentAuthorisedInd field. |
| **Requested Assignment** | Indicated by selecting 'R' in the benefitAssignmentAuthorisedInd field.<br><br>**Note:** Developers may also choose to enable the requested assignment process digitally through your software to support your customers. Please refer to section 65D of the Health Insurance Amendment (Assignment of Medicare Benefits and Other Measures) Regulations 2025 for more details on request requirements.<br>There is also example wording for the request is available in the Explanatory Statement, relating to subsection 65D (1) (2) (3) of the Health Insurance Amendment (Assignment of Medicare Benefits and Other Measures) Regulations 2025). |

Services Australia

# In-Patient Medical Claim Web Service (IMCW)

The following TECH.SIS updates have been made to support vendors:

**TECH.SIS.MEDICARE.14 – IMCW**

- Update to associated web service and section 2 to include new IMCW web service versions.
- Added new section 2.5 to include Assignment of Benefit requirements for ECLIPSE.
- Updated section 4.1 to include new IMCW web service versions.
- Updated data element claim>benefitAssignmentAuthorisedInd in Section 5.7 IMCW request (AG/SC/MB/MO/PC) – business rule validations – claim level to include new rules for version 2 of the web service.

**TECH.SIS.PHI.14 – IMCW**

- Update to associated web service and section 2.1 and 2.7 to include new web service versions.
- Added new section 2.8 to include Assignment of Benefit requirements for ECLIPSE.
- Updated data element claim>benefitAssignmentAuthorisedInd in Section 4.3 IMHW request– agency to PHI to include new rules for version 2 of the web service.

Services Australia

# System and process changes – Online Eligibility Check Web Service (OECW)

The Online Eligibility Check (OEC) function allows users to check the patient's eligibility with their private health insurer and Medicare. It also provides an estimate of out-of-pocket expenses.

**From 1 July 2026, the following changes will be made to OEC:**

- New Product Tier field – This will be mandatory field for the PHI to return in every response to an OEC (ECF, ECO, OEC) and contains information on the level of cover the patient has.
- New Additional Clinical Categories field – This will contain information on all the additional clinical categories the patient is covered for with the PHI and is conditional based on values set in the Product Tier field.

Services Australia

# Online Eligibility Check Web Service (OECW)

| Data element | Values | | Business Rules |
|---|---|---|---|
| **productTier** | • Gold<br>• Silver<br>• Bronze<br>• Basic | • Silver Plus<br>• Bronze Plus<br>• Basic Plus | • Indicates the level of hospital cover the patient has<br>• Must always be supplied |
| **additionalClinicalCategories** | • Assisted reproductive services<br>• Back, neck and spine<br>• Blood<br>• Bone, joint and muscle<br>• Brain and nervous system<br>• Breast surgery (medically necessary)<br>• Cataracts<br>• Chemotherapy, radiotherapy and immunotherapy for cancer<br>• Dental surgery Diabetes management (excluding insulin pumps)<br>• Dialysis for chronic kidney failure<br>• Digestive system<br>• Ear, nose and throat Eye (not cataracts)<br>• Gastrointestinal endoscopy<br>• Gynaecology<br>• Heart and vascular system<br>• Hernia and appendix | • Implantation of hearing devices<br>• Insulin pumps<br>• Joint reconstructions<br>• Joint replacements<br>• Kidney and bladder<br>• Lung and chest<br>• Male reproductive system<br>• Miscarriage and termination of pregnancy<br>• Pain management<br>• Pain management with device<br>• Plastic and reconstructive surgery (medically necessary)<br>• Podiatric surgery (provided by a registered podiatric surgeon)<br>• Pregnancy and birth<br>• Skin Sleep studies<br>• Tonsils, adenoids and grommets<br>• Weight loss surgery | • This is used to indicate the additional clinical categories covered under the patient's policy<br>• Must be set if Product Tier is set to Silver Plus, Bronze Plus or Basic Plus<br>• Must not be set if Product Tier is set to Gold, Silver, Bronze, or Basic |

Services Australia

# Online Eligibility Check Web Service (OECW)

The following TECH.SIS updates have been made to support vendors:

**TECH.SIS.MEDICARE.11 – OECW**

- Update to associated web service and section 2 to include new OECW web service versions.
- Update in section 2.1 to link to new eligibility business rules.
- Updates to section 5.1, 5.2, 5.3 and 5.4 to include new return data elements for OECW web service version 2 including: healthFundClaimEstimation>additionalClinicalCategories and healthFundClaimEstimation>productTier.
- Updates to Appendix A – OECW Disclaimer and Privacy Notice to include the new data elements.

**TECH.SIS.PHI.11 – OECW**

- Update to associated web service and section 2 to include new OECW web service versions.
- Update in section 2.1 to link to new eligibility business rules.
- Updates to section 5.1, 5.2 and 5.3 to include new return data elements for OECW web service version 2 including: healthFundClaimEstimation>additionalClinicalCategories and healthFundClaimEstimation>productTier. 8
- Introduce section 6 Appendix A providing more information about the new fields.

Services Australia

# Notice of Integration (NOI) FAQs

**When can we book in for testing?**

APIs and NOI testing bookings are now available. Note: You should you only book NOI testing once your development work is completed as bookings require your product to be ready.

**Is full NOI required, or will this be a truncated version? Ie. do we need to re-certify all modules or just those that have been changed?**

Developers will only be required to certify assignment of benefit modules that have been changed. If changes other than assignment of benefit are being made to an application, standard testing applies.

**Will the Testing spreadsheet be made available prior to applying for NOI?**

We are unable to release the test cases early. Our approach is to have all vendors develop directly from specifications to ensure alignment and proper understanding of the documented requirements rather than tailoring solutions to known tests. Providing test cases in advance can shift the focus from delivering compliant, fully integrated solutions to just passing test cases. It also helps maintain independent verification that solutions meet requirements and ensures a fair and consistent approach for all vendors. We will share the test cases once your development is complete against specifications and you are ready for NOI testing.

Services Australia

# Questions

Relevant Links:

- *Health Insurance Legislation Amendment (Assignment of Medicare Benefits) Act 2024*
- *Health Legislation Amendment (Miscellaneous Measures No. 1) Act 2025*
- *Health Insurance Amendment (Assignment of Medicare Benefits and Other Measures) Regulations 2025*
- Consultation on Assignment of Medicare Benefits for Simplified Billing Services
- Modernising the 'Assignment of Benefit' process for Medicare bulk billed services and simplified billing services
- Improving the Assignment of Benefit Process