



# Update to Assignment of Medicare benefit requirements

## Information for private health insurers

This factsheet explains updated legal requirements for simplified billing assignment of Medicare benefits that come into effect from 1 July 2026 and the support available to help healthcare providers and hospitals meet these requirements.

### Modernising the assignment of benefit process

The process for privately insured patients to assign their Medicare benefit is being modernised to help strengthen Medicare, reduce administrative burden, and streamline simplified billing processes.

As part of simplified billing, patients can assign their Medicare benefits, so they are paid directly to their private health insurer. This allows them to process claims and receive Medicare benefits directly for

the rendered medical service. The private health insurer will then process the Medicare benefit to the healthcare provider or the hospital.

From 1 July 2026, assignment of benefit can happen automatically where a healthcare provider or hospital has a qualifying arrangement with a private health insurer. For example, if a gap cover agreement or similar arrangement applies to the medical service. In other cases, the patient or the person paying will need to agree in writing.

This change will:

- provide an option for automatic assignments if certain conditions are met
- support digital workflows and software integration
- allow written agreements to be completed before or after services are rendered
- give patients clearer information about assigning their Medicare benefit.

## What healthcare providers and hospitals need to do

A Medicare benefit can be assigned to a private health insurer either through the 'implied' or 'requested' assignment pathways:

- **Implied assignment:** This applies when a hospital or healthcare provider has a qualifying arrangement with a private health insurer to pay for medical services provided to patients covered by that insurer. This type of assignment to the private health insurer is automatic so no information or signature from the patient is required if the arrangement applies to the service.
- **Requested assignment:** This applies if the patient or an assignor (i.e., someone paying for the service and covered by the same private health insurance policy, or authorised to act on the patient's behalf) asks to assign their Medicare benefit to their private health insurer.

In these cases, implied assignment does not apply or isn't available for the medical service, so the hospital or healthcare provider must get the patient's agreement to assign their benefit in writing – either electronically or physically. There is no set approved form. Assignment requirements can be captured through a standalone form, an IFC form, an admission form, a private patient election form or another document.

- **Patient notifications:** Under simplified billing assignment of benefit, private health insurers must notify patients in writing within 6 months of receiving the Medicare benefit.
- **Record-keeping:** Hospitals, healthcare providers and private health insurers must keep records that evidence simplified billing benefit assignments. Details of what must be kept and for how long depend on the type of assignment.

## What your patients need to do

If implied assignment applies, no patient signature is needed.

For requested assignment, the patient or the person paying must agree in writing to assign their Medicare benefit. Patients should understand and agree to assign their benefit before signing the form.

Patients can now sign a digital form agreeing to assign their benefit before or after a service. Digital signatures can be captured through channels such as in-clinic touchscreens, apps, email, and SMS consent links. A paper form can still be used for people who need it.

The requested assignment of benefit form must clearly describe the admission, episode of care, course of treatment, or services it covers, so patients understand what medical services and Medicare benefits are being processed on their behalf.

**More information and enquiries**  
[health.gov.au/assignment-of-medicare-benefit](https://health.gov.au/assignment-of-medicare-benefit)



Scan to find  
out more