Australian Government
Department of Health, Disability and Ageing

medicare

New requirements for simplified billing Medicare claims for privately insured patients

What is simplified billing?

Simplified billing is the process where a private health insurer (PHI) or approved billing agent (BA), manages and pays benefits to a medical provider, organisation or hospital on behalf of a privately insured patient.

The process of assigning Medicare benefits using simplified billing can be either:

- Implied – where a contractual arrangement exists between the insurer and hospital, organisation or medical provider
- Requested – where no contractual arrangement exists.

What is changing?

Since 1 July 2026, each Medicare claim for a privately insured patient receiving hospital treatment or hospital-substitute treatment requires an assignment of benefit (AOB) claims declaration.

Responsibility for the AOB claims declaration

An AOB claims declaration is made by the person making a claim for Medicare benefits, stating that the AOB process has been completed in accordance with legislation.

It is the responsibility of the person making the claim for Medicare benefits (either the hospital, medical provider, organisation, or approved BA) to state that they have met the requirements.

The AOB claims declaration is part of the claim for Medicare benefits and is required for both implied and requested simplified billing assignment requests, whether the claim is submitted electronically or manually.

The format of the declaration is not mandated. It may be electronic as part of an online claims process or a statement as part of a manual claim. The wording below (or similar) can be included in the manual claim:

For claims for benefits assigned through implied assignment: "This claim for Medicare benefits has been assigned under implied assignment."

For claims for benefits assigned through requested assignment: "This claim for Medicare benefits has been assigned under requested assignment."

When to use implied or requested assignment

Simplified billing assignments can happen in two ways.

- **Implied assignment:** this type of assignment is automatic if a medical provider, hospital, or organisation has an arrangement with an insurer and the arrangement applies to the service. The patient does not need to assign their Medicare benefit because participation in the contractual arrangement includes assignment of their benefit to the third party. An AOB claims declaration is also required.
- **Requested assignment:** this type of assignment occurs when there are no contractual arrangements in place between the two parties e.g. insurer and hospital, insurer and organisation or insurer and medical practitioner. The patient must request that their Medicare benefits be assigned to the PHI or approved BA. The hospital, organisation or medical practitioner must get the patient's agreement to assign their benefit in writing – either electronically or physically. An AOB claims declaration is also required.

Which AOB pathway?	Implied assignment	Requested assignment
Insurer arrangement applies (e.g. doctor is using a medical gap cover arrangement such as a No Gap/Known Gap Cover Scheme or medical purchaser provider agreement to claim for the service)	✓	
Insurer arrangement does not apply (e.g. doctor has a No Gap/Known Gap Cover Scheme but is not using it to claim)		✓
Insurer arrangement applies but doctor is also covered by a requested assignment through the hospital (e.g. doctor is using a No Gap/Known Gap Cover Scheme)	✓	
No insurer arrangement available (e.g. doctor does not have a No Gap/Known Gap Cover Scheme)		✓

More information

For more information visit:

- Improving the assignment of benefit process | Australian Government Department of Health, Disability and Ageing
- Assignment of Medicare Benefits for Simplified Billing – Frequently Asked Questions | Australian Government Department of Health, Disability and Ageing