Australian Government
Department of Health, Disability and Ageing

The Medicare Framework

A high-level overview of the Medicare service and claiming process, designed to illustrate how funded services progress through delivery, claiming, payment and compliance activities.

MBS = Medicare Benefits Schedule
PBS = Pharmaceutical Benefits Scheme
CDBS = Child Dental Benefits Schedule

1 Medicare system & purpose

- Universal, publicly funded patient benefits system
- Subsidises eligible health services
- Delivered through connected programs (MBS, PBS, CDBS)

Sets system scope and intent

2 Funded services (MBS)

- Lists services eligible for Medicare benefits
- Each service has an item number, descriptor, schedule fee and benefit rate
- Items are grouped into categories (e.g. attendances, procedures, imaging, pathology)

Specifies eligible services

3 Rules & requirements

- Clinical relevance of the service
- Item-specific requirements
- Patient eligibility for Medicare
- Practitioner eligibility and participation requirements
- Services excluded or funded under other arrangements

Determines if a benefit is payable

4 Health service delivered

- Service provided to the patient
- Matches the relevant MBS item
- All requirements are met (including time, attendance and referral rules where applicable)

Enables claiming

5 Medicare claiming

- Claims can be made by patients or providers
- Bulk billing is where the provider accepts the assignment of the patient's benefit as full payment for the service
- Claims are submitted through approved claiming channels

Triggers payment

6 Medicare payment

- Benefits are outlined in the MBS
- Different rates apply depending on service type and setting
- Safety Nets provide higher benefits after out-of-pocket thresholds are reached

Payment made

7 Integrity & compliance

- Record-keeping requirements support correct claiming
- Incorrect payments may be reviewed and recovered
- Compliance programs promote appropriate use of Medicare
- Protects public funding and system integrity

Protects system sustainability and trust

Compliance data and activities inform updates and changes to the Medicare system

Guidance, Information and Support

MBS Online
MBS items, descriptors and explanatory notes

Services Australia
Claiming, payments and provider numbers

Medicare resources
Factsheets, guidelines and other resources

AskMBS
Written advice on the correct use of MBS items

More about Medicare
Policies, legislation and standards

Medicare contacts
List of relevant contacts and support services

Have some feedback?
Contact the Provider Support and Engagement team at Provider.Support@health.gov.au