Australian Government
Department of Health, Disability and Ageing

Understanding Medicare

Fast Facts

Essential Medicare information for health providers and practice staff

Scan or click to read more about these topics in the Understanding Medicare: Provider Handbook - page references are given below

Have some feedback?

Contact the Provider Support and Engagement team at Provider.Support@health.gov.au

1. What is Medicare?

Medicare is Australia's **universal health insurance scheme**, helping eligible patients access a range of health and hospital services at low or no cost. Medicare supports equitable access to health care regardless of where people live or their financial circumstances.

Read more: *Introduction (p.5)*

2. What does Medicare cover?

Medicare covers the **Medicare Benefits Schedule** (MBS), **Pharmaceutical Benefits Scheme** (PBS), **Child Dental Benefits Scheme** (CDBS), and public hospitals.

Under the MBS and CDBS, Medicare subsidises a range of health services, including consultations, procedures, diagnostic tests and imaging services. Medicare also contributes to the cost of medicines supplied under the PBS and some public hospital services.

Read more: *Medicare Programs (p.5)*

3. Who is eligible?

Medicare benefits are generally available to **Australian citizens** and **permanent residents, New Zealand citizens,** and in certain circumstances, those who have applied for Australian permanent residency or are a temporary resident. To receive benefits, eligible people must **enrol in Medicare** and receive a **Medicare card.**

To provide Medicare-eligible services, practitioners must be **registered** with Ahpra, have professional recognition, meet eligibility requirements and have a **provider number**.

Read more: *Who is entitled to Medicare benefits? (p.17)*

4. What are the requirements?

Medicare requirements are set out in legislation and the **Medicare Benefits Schedule (MBS),** and cover eligibility, types of services, and how services are to be provided.

Practitioners are responsible for ensuring services meet all applicable requirements and for maintaining **accurate and contemporaneous records** to support services provided.

Read more: *MBS rules and requirements (p.15)*

5. When is a Medicare benefit payable?

A Medicare benefit may be payable when a service is:

- **clinically relevant**
- compliant with all MBS requirements
- provided by an **eligible practitioner**
- delivered **in Australia** to an eligible patient.

Read more: *When is a Medicare benefit payable? (p.16)*

6. How are Medicare benefits claimed?

Claims can be submitted by:

- patients
- practitioners on behalf of patients
- practices acting on behalf of practitioners.

Claims must only be submitted after a service has been provided.

Bulk billing occurs when a patient assigns their Medicare benefit to the practitioner as full payment for the service.

Read more: *Medicare claiming (p.20)*

7. How are Medicare benefits calculated?

Medicare benefits are generally calculated as a percentage of the **Schedule fee**.

The benefit payable depends on the service provided, where it is provided, and the applicable MBS rules.

Higher benefits may be available once a patient reaches relevant **Medicare Safety Net** thresholds.

Read more: *How much is the benefit? (p.25)*

8. What happens if an incorrect claim is made?

Claims that do not meet Medicare requirements may result in **repayment of Medicare benefits.** Compliance activities help ensure Medicare benefits are paid correctly and support the integrity of Medicare funding. Good **record keeping** helps practitioners demonstrate that services claimed met all Medicare requirements.

Read more: *Incorrect payments (p.24)*