

Summary to Support the Guide for Patients on How the Health Care System Funds Medical Care

The AMA has prepared the following information for patients seeking medical treatment so they may better understand how the health care system works to fund their healthcare.

Medicare rebates

- The Medicare Benefits Schedule (the MBS) is a list of the medical services for which the Australian Government will pay a Medicare rebate, to provide patients with financial assistance towards the costs of their medical services.
- Medicare rebates do not, and were never intended to, cover the full cost of medical services.
- Medical practitioners are able to set their own fees for their services.
- The MBS fee and the Medicare rebate do not reflect the value of a medical service or an amount that medical practitioners should or must charge.

Medicare Safety Nets

- Medicare Safety Nets provide additional relief to those patients who incur higher than usual medical costs for out-of-hospital services in a calendar year.

Hospital treatment

Public patients

- All eligible Australians are able to access hospital treatment as a public patient in a public hospital free of charge.
- Australians who elect to be public patients are not able to choose the hospital that they are admitted to or the medical practitioners who will treat them.

Private patients

- Privately insured patients can usually choose the hospital that they are admitted to and the medical practitioners who will treat them.
- Having private health insurance does not always mean that you will pay nothing if you need treatment.

What are you covered for?

- The type of private health insurance product you have affects what treatment you are covered for. The general rule is that the cheaper the premium, the less the product will cover.
- The private health insurers categorise their products into four levels of cover: top; medium; basic private hospital cover; and public hospital cover. Top cover means only that all medical services listed on the MBS are included in the policy, not that you won't have to pay anything if you need treatment.

Out-of-pocket costs

- For hospital costs, private health insurers and hospitals enter into contracts that usually mean that you won't have out-of-pocket costs when you have treatment.
- For medical services, private health insurers set the amount of benefit they will pay. If the medical practitioner agrees to charge a fee that is equal to that benefit you will not have an out-of-pocket cost.