

# Medicare

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Medicare, Australia's universal health insurance scheme, was established in 1984 to ensure all Australians contribute towards the cost of health care according to their ability to pay. This entitles them to receive:

- free treatment as a public patient in a public hospital
- free or subsidised treatments by general practitioners (GPs)

and specialists, as well as some optometry and dental treatments.

As part of the policy announcements made during the 2004 election campaign, the Australian Government strengthened Medicare by making GP services more affordable and accessible to all Australians.

## Key business results

We processed 236.3 million services, representing \$10.6 million in Medicare benefits. The figures in the following tables are adjusted on an accrual accounting basis.

### Medicare expenditure 2003–04 and 2004–05

	2003–04	2004–05	% Change
Total amount paid (includes adjustments to provisions for outstanding claims)	\$8.6 billion	\$10.6 billion	+ 23%
Radiation oncology health program grants	\$27 million	\$36 million	+33.4%
Services processed (claims)	\$226 million	236.3 million	+4.4%

## Medicare enrolments, claims and benefits 2002–03 to 2004–05

	2002–03	2003–04	2004–05
<b>Enrolments</b>			
Persons enrolled*	20.6 million	20.97 million	20.5 million
Active cards	11.7 million	11.9 million	11.4 million
<b>Claims</b>			
Services processed	221.4 million	226.4 million	236.3 million
Medicare services bulk billed	150.1 million	152.7 million	166.0 million
<b>Benefits</b>			
Total amount paid	\$8.1 billion	\$8.6 billion	\$10.6 billion
Average benefit per service	\$36.65	\$37.99	\$41.99
Average period service to lodgement~	16.3 days	15.4 days	14.2 days
Average period lodgement to processing#	4.4 days	4.9 days	4.7 days

\* Persons enrolled include some people who are not Australian residents, such as visitors from countries with reciprocal health care agreements with Australia, and persons covered under ministerial orders.

~ Time between date of a medical service and lodgement of a Medicare claim.

# Time between date of lodgement and processing of a Medicare claim.

## Medicare claiming

The 236.3 million services were processed by cheque, cash and electronic funds transfer for paid accounts. Unpaid accounts were paid by cheques issued to the provider via the claimant.

### Medicare services by bill type

	2003–04	%	2004–05	%
Cheque to claimant	4.9 million	2.2	4.6 million	1.9
Cheque to practitioner via claimant	19.7 million	8.7	16.1 million	6.8
Cash—Medicare Offices	35.4 million	15.6	34.7 million	14.7
Bulk Bill—benefit assigned to practitioner by claimant	152.7 million	67.5	166 million	70.3
Simplified Bill—in-hospital claims lodged electronically	10.9 million	4.8	11.8 million	5
Electronic Funds Transfer	2.8 million	1.2	3.1 million	1.3
<b>Total</b>	<b>226.4 million</b>	<b>100%</b>	<b>236.3 million</b>	<b>100%</b>

## HIC Online

HIC Online enables providers to make claims over the internet including Medicare bulk bill, private patient claiming and the Department of Veterans' Affairs claiming. It also enables providers to submit information to the Australian Childhood Immunisation Register.

### HIC Online Key Business Results 2004–05

	2003–04	2004–05
No. of sites transmitting	474	3,315
No. of bulk bill claims processed	1.4 million	16.5 million
No. of patient claims processed	0.1 million	1 million

Take-up of HIC Online has continued to expand and considerable work has been undertaken to facilitate the claiming of more complex claims, such as pathology. As a result of this work the HIC is providing greater flexibility to providers and it is anticipated that HIC Online volumes will further increase through this claiming channel.

## Education and communication

The HIC uses a range of communication channels and tools to let the Australian public know about Medicare. These activities include displaying brochures, posters and fact sheets in Medicare offices and at Easyclaim booths, inserting fliers with direct mail activities, and posting information on our website. Our brochures are also available from doctors' surgeries and pharmacies. One of the key ways we provide information to the public is in person—face-to-face at Medicare

offices and by telephone through our call centres.

## Medicare safety nets

**The new safety net** is based on out-of-pocket expenses, being the difference between the provider's charge and the Medicare benefit paid for a service. Once a person has reached the concessional threshold of \$306.90 (for customers entitled to Australian Government concessions or Family Tax Benefit Part A) or the general threshold of \$716.10 (for everyone else) in out-of-pocket expenses, they are entitled to be paid the higher benefit of 80 per cent of their out-of-pocket expenses.

**The gap safety net** is based on the difference between the Medicare Benefits Schedule fee and the Medicare benefit paid for out-of-hospital services. Once they have reached the gap threshold of \$335.50, people are entitled to be paid the full 100 per cent of the Medicare Benefits

Schedule fee, where this is not already paid as part of the new 100 per cent rebate for GP services (described under 'Strengthening Medicare').

## Medicare eligibility

People who reside in Australia are eligible for Medicare if they:

- hold Australian citizenship
- have been issued with a permanent visa
- hold New Zealand citizenship or
- have applied for a permanent visa (restrictions apply to persons who have applied for a parent visa—other requirements apply).

Australian citizens who have resided overseas for more than five years, and permanent resident visa holders who have resided overseas for more than 12 months, are required to demonstrate their intention to permanently reside in Australia before a Medicare card can be issued to them.

## Medicare cards and Medicare levy exemptions 2003–04 and 2004–05

Medicare	2003–04	2004–05	% Change
<b>Cards</b>			
Total cards issued*	3,252,194	3,276,204	+0.74%
Reciprocal health care cards	13,540	12,163	-11.3%
<b>Medicare levy exemption</b>			
Total applications	19,950	22,907	+12.9%
Accepted applications	19,227	22,119	+13.1%
Rejected applications	723	788	+8.3%

\* Includes health care cards issued under reciprocal health care agreements.

### Eligible visitors to Australia

The Australian Government has signed reciprocal health care agreements with some countries, which entitle residents of those countries to restricted access to health cover while visiting Australia. Currently, these countries are Finland, Ireland, Italy, Malta, New Zealand, Sweden, Norway, the Netherlands, and the United Kingdom.

### Improved services for migrants and conditional migrants

During 2004–05, the HIC and the Department of Immigration

and Multicultural and Indigenous Affairs continued to work together, through the electronic transmission of information, to:

- improve service delivery for people who have applied for, or who have been granted, permanent residency status in Australia
- reduce administrative burdens associated with establishing Medicare eligibility
- simplify Medicare enrolment.

Staff at the HIC also worked closely with migrant resource centres and volunteer groups working with migrants to

provide information regarding Medicare requirements.

### Medicare cards

Medicare cards are issued to eligible people to make it easy for them to access Medicare benefits. There are four different Medicare cards, designed to visually indicate to medical professionals and their staff the person's level of Medicare eligibility.

- **A Green Medicare card** is issued to Australian Citizens and Permanent Residents and is an indication that

the eligible consumer has access to all eligible Medicare services.

■ **A Blue Interim Medicare Card**

is issued to consumers who are granted eligibility to Medicare while their application for Australian permanent residency is under consideration. The interim card is an indication to medical professionals and their staff that the eligible person has time-limited access to all Medicare eligible services.

■ **A Yellow Medicare Reciprocal Health Care Card**

is issued to visitors to Australia who are residents of countries with which Australia has reciprocal health care agreements. Their access to Medicare services has time limitations and does not cover treatment as a private patient in a public or private hospital

■ **A Green Medicare Smartcard**

is issued to Australian citizens and permanent residents who live in Tasmania and is an indication that the eligible person has access to all eligible Medicare services.

## Strengthening Medicare

### 100% Medicare rebate for general practitioner services

From 1 January 2005, the Medicare benefit (or rebate) for most services provided by both vocationally and non-vocationally registered GPs increased from 85 per cent to 100 per cent of the Medicare Benefits Schedule fee. The 100 per cent rebate applies to:

- non-referred attendances provided by a GP, except where the patient has been admitted to a hospital
- services provided by a practice nurse on behalf of a GP.

### Additional bulk-billing incentives

The *Strengthening Medicare package* included the following measures designed to encourage service providers to offer bulk billing.

#### **For Commonwealth concession patients and children under 16 years of age**

An additional \$5 payment for

non-referred bulk-billed medical services was made available to people with Australian Government concession cards and to children less than 16 years of age. For medical providers in certain rural and remote areas, and providers in Tasmania, this payment is \$7.50.

#### **Extended bulk-billing incentives for GPs in eligible urban areas**

The additional amount was extended to eligible urban areas and large regional centres where shortages of GPs have been identified and where bulk-billing rates are below the national average.

#### **Higher rebates for after-hours GP services**

The Medicare benefits for after-hours service items are \$10 higher than the benefits for corresponding items used during business hours, and are adjusted according to the Consumer Price Index (CPI) on 1 January each year. The existing set of emergency after-hours items continues to apply, but the Medicare benefit for these items has increased by \$10.

GPs are able to claim 16 after-hours items for most professional consultations provided during an after-hours period. For all of the new after-hours items the service must be initiated either:

- on a public holiday
- on a Sunday
- before 8 am or after 1 pm on a Saturday

or

- before 8 am or after 8 pm on any other day.

### **Higher bulk-billing incentives for after-hours for practitioners not based in eligible areas but providing a service in an eligible area**

A bulk-billing incentive item can now be claimed in certain circumstances by medical practitioners not based in eligible areas but providing services in eligible areas.

This allows medical practitioners providing out-of-surgery after-hours services (for example, members of medical deputising services or GP after-hours cooperatives) to claim the higher paid item if the service

is provided in an eligible area, even if the practitioner is not based in an eligible area.

### **Practice Nurse Medicare Benefits Schedule Items**

*Strengthening Medicare* added the following items to the Medicare Benefits Schedule (MBS) to provide rebates for certain services performed by practice nurses.

#### **MBS item for immunisations provided by a practice nurse**

This is claimed by a medical practitioner where an immunisation, other than mass immunisation, is provided by a practice nurse on behalf of a medical practitioner in any of the following locations:

- the consulting rooms of a general practice
- a residential aged facility
- a home visit to a partner
- an institution (other than a hospital or day-hospital facility).

#### **MBS item for wound management provided by a practice nurse**

A medical practitioner can now claim a wound management item, except for normal post-

operative aftercare, when the wound management is provided by a practice nurse on the medical practitioner's behalf. The wound management can be provided in any location, except in a hospital or day-hospital facility.

#### **MBS item for pap smears provided by a practice nurse**

This item applies to a practice nurse taking pap smears in a relevant regional, rural or remote area when:

- the practice nurse is appropriately qualified and trained to take a cervical smear
- the medical practitioner under whose supervision the pap smear is taken retains responsibility for the health, safety and clinical outcomes of the person.

The additional bulk-billing incentives can be claimed in conjunction with the new practice nurse items where the service is provided to a holder of an Australian Government concession card or child aged under 16 years, and the service is bulk billed, not referred and provided out of hospital.

## Allied health and dental care initiative

The Medicare allied health and dental care initiative allows a chronically ill person who is being managed by their GP under an enhanced primary care plan to access Medicare rebates for allied health and dental services.

Medicare benefits are available for a maximum of five services per 12-month period from one or more allied health professionals. These services must be delivered under an enhanced primary care plan to patients referred by a GP.

Patients under an enhanced primary care plan who have dental problems that are significantly adding to the seriousness of a chronic condition can access three consultations for dental treatment with a maximum rebate of \$220 a year.

The following allied health professionals can participate in the initiative:

- Aboriginal health workers
- audiologists

- chiropodists
- chiropractors
- dental practitioners
- dental specialists
- diabetes educators
- dieticians
- mental health workers
- occupational therapists
- osteopaths
- physiotherapists
- podiatrists
- psychologists
- speech pathologists.

## Other payments

In addition to the normal benefits and *Strengthening Medicare* package benefits, Medicare provides a number of other payments to assist individuals and families who may need assistance because of high medical expenses.

### HIC Special Assistance

HIC Special Assistance encompasses schemes that are developed in response to natural and human-caused disasters that result in

Australians requiring assistance with health care. The HIC Special Assistance system was developed to provide an immediately accessible platform for processing registrations and claims during disasters, and currently includes Balimed and Tsunami Healthcare Assistance.

### Balimed

In recognition of the extreme difficulties faced by survivors of the bombings that occurred in Bali, Indonesia, on 12 October 2002, the Balimed scheme was established. The scheme assists Australian residents and eligible overseas nationals with all out-of-pocket health care expenses incurred in Australia to treat survivors' injuries. Balimed also covers the costs of counselling, psychological and/or psychiatric treatment. This is extended to family members and friends who may require care as a result of their relationship with the survivor.

As at 30 June 2005, 284 survivors had been registered with Balimed and approximately \$791,928 from October 2002 covering 2,494 claimed services had been paid.

### Tsunami Healthcare Assistance

Tsunami Healthcare Assistance (THA) was established in recognition of the extreme difficulties faced by survivors of the tsunamis in the Indian Ocean on 26 December 2004. THA covers all reasonable out-of-pocket health care expenses incurred in Australia to treat survivors' injuries. THA also covers the costs of counselling, psychological and psychiatric treatment for family members of people who were injured, lost or killed, who may require care as a result of their relationships to those people.

As at 30 June 2005, 135 survivors had been registered with THA and approximately \$81,330, covering 1,072 claimed services, had been paid.

### Broadband for Health

The Australian Government's Broadband for Health initiative supports the use of broadband internet services by general practices, Aboriginal

community-controlled health services and community pharmacies.

The Department of Health and Ageing (DoHA) subsidises the uptake of a Broadband for Health Qualified Service by eligible locations. The subsidy is set at a level sufficient to meet the full installation and 12 months usage of a least one broadband qualified service.

This year we processed more than 980 applications from general practices and Aboriginal community-controlled health services totalling over \$1.7 million and over 3,568 applications from community pharmacies totalling over \$4.8 million. Community pharmacies also received an additional incentive payment of \$1,000 for the completion of a security checklist in accordance with the *Computer security self-assessment and guidelines for community pharmacies*. Approximately 3,570 applications, totalling approximately \$3.5 million, were processed.

## Medicare office network

### New Medicare offices are opening

To strengthen our service delivery to all Australians, the Medicare office network is expanding with the opening of 12 new Medicare offices. These new offices, which bring the number of offices to 238, are in:

- Rosebud, Fountain Gate and Cranbourne in Victoria
- Leichhardt, Tuggerah and Tuncurry in NSW
- Elanora, Maroochydore and Wynnum in Queensland
- Palmerston in the Northern Territory
- Joondalup in Western Australia
- Gungahlin in the ACT.

### Longer opening hours

Following a Saturday trading trial in 10 Medicare offices in Queensland last year, 114 of our busiest Medicare offices

opened for Saturday trading in August 2004. The trial showed that opening on a Saturday provided greater opportunities for the Australian public to access Medicare services.

Planning is underway to further extend our opening hours with 54 Medicare offices opening between 9 am to 5 pm with late night trading up to 7 pm one night a week as well as being open Saturday mornings. A further 125 Medicare offices will expand their Monday to Friday trading hours. HIC continues to respond to the public's needs and expectations.

While 'word of mouth' has been one of the best ways the public have found out about our longer opening hours, we also did some advertising in local newspapers and media releases and displayed posters and flyers in the Medicare offices.

The experience of expanding the opening hours in some Medicare offices has enabled us to create a stronger emphasis on meeting the needs of the public who require access to Medicare offices.

Based on previous feedback, approximately one-third of our customers stated that it was difficult to visit a Medicare office during their work hours. We have received positive feedback about the increased ease in visiting a Medicare office. Further surveys will be conducted to ensure that the opening hours of the Medicare offices continue to reflect the needs of the community.

#### Trial of queuing systems

As part of HIC's new approach to Medicare office design, an automated queuing system commenced a trial during February 2005. The system allows each member of the public to take a ticket and remain seated until prompted to approach a customer service officer for assistance. A queue management element of the system ensures people receive prompt service without the need to stand in a queue. Response from the public has been extremely positive, with frail and elderly people expressing their appreciation of being able to sit down while waiting to be served.

#### Office design

The HIC is trialling some new design principles in our recently opened Medicare offices. There are currently six offices with this style of fit-out and a further three Medicare offices will be fitted out using the new design principles in 2005–06.

The new design includes:

- public seating—the new public spaces incorporate a modular seating configuration with provision for arms and backs of various proportions, to suit different people's requirements
- ergonomic counters—low counters are predominately used and people are able to sit during their interaction with our staff
- flexible office space—back-office space has been reduced without losing functionality to provide flexibility and maximise the public area
- accessible managers' offices—each manager's office will have access from the public area to allow for private meetings with members of the public.

## Easyclaim

Across Australia there is a network of over 1,000 Medicare Easyclaim outlets to provide easy access to Medicare claiming facilities. These outlets are self-service telephone booths, located in rural transaction centres, state government agencies and shop fronts, post offices, pharmacies and many other shops and service outlets.

Many of the things people can do in a Medicare office can

also be done at the Medicare Easyclaim booth. As well as claiming a Medicare benefit, a person can request tax statements from Medicare, update their Medicare details and sign up for the Australian Organ Donor Register. The booths also provide information about the PBS and the Australian Childhood Immunisation Register.

The locations of Medicare Easyclaim booths are available on our website at [www.hic.gov.au](http://www.hic.gov.au).