

Discussing billing, out-of-pocket expenses and the cost of healthcare with your patients

It is important to set fees that appropriately reflect the cost of the service you are providing, including the time taken, practice costs and your expertise. Patients need to know what fees are in place, whether there are any exceptions and the methods of payment available to them.

Considerations for advising your patients about fees may include:

- letting patients know about fees when making new appointments (ie in the waiting room, on the website or by a phone message)
- providing training to staff in challenging conversations, taking into consideration how practice staff will respond to a patient who is particularly upset about fees
- ensuring staff feel confident discussing fees with patients.

GPs may consider further support material is required to assist patients to understand how the Medicare Benefits Schedule (MBS) and other arrangements support their access to general practice care.

Why is there a gap fee?

Below are some points that can be used to assist in conversations with patients about why they are being charged a gap fee or why their fees have increased.

- Healthcare costs continue to rise due to the increasing costs of new technologies and medicines, and the wages of a skilled labour force.
- Income generated through fees is used to resource primary care teams and upgrade infrastructure. For example, it allows GPs to pay for additional staff such as practice nurses and allied health professionals, and ensure they have the latest digital technology to support patient care and their business requirements.
- The costs of healthcare are not reflected in Medicare patient rebates (the amount the government pays to subsidise GP consultations).
- Between 2012 and 2022, Medicare rebates increased by an average of just over 1% each year.
- Rebates for standard GP consultations were completely frozen (i.e. did not receive an annual indexation increase from the government) between 2014 and 2018.
- Inflation rose by 6.1% in the 12 months to June 2022, however in July 2022 the rebate for a standard GP consultation increased by just 65 cents to \$39.75 – a 1.6% increase from the previous year. This does not cover the significant increase in costs that has occurred over the course of the rebate freeze.
- The average out-of-pocket cost for patients is now higher than the Medicare rebate for a standard GP consultation.

Further information

[RACGP position statement – Billing for general practice services](#)

[RACGP resources to help you manage your billing](#)

[Department of Health – Out of pocket costs](#)

[Australian Medical Association guide: Informed Financial Consent – a collaboration between doctors and patients](#)