

Supporting sustainable billing practices in general practice

Information for GPs and practice owners

1 November 2025

Who is this document for?

This document is intended to support general practitioners (GPs) and practice owners who are considering transitioning to a more sustainable billing model to improve the viability of their practice.

Current funding structures do not adequately support the delivery of comprehensive, high-quality general practice care, particularly for chronic disease management, preventive care, and care for people with complex needs.

Why are GPs moving towards mixed and private billing?

Medicare is a national health insurance scheme, not a universal healthcare scheme. At the time of commencement, Medicare was designed to subsidise 85% of the costs of patient care.

Rebates have failed to keep pace with the rising cost of providing healthcare and the investment required to deliver comprehensive, patient-centred care. As a result, MBS rebates do not reflect the true cost of delivering high-quality general practice services.

Insufficient rebates reduce the capacity of the MBS to effectively subsidise patient access to primary care, increasing pressure on other parts of the healthcare system. Long term inadequate indexation combined with indexation freezes has resulted in only 12% of GPs bulk billing all their patients.¹

While general practice is the most efficient part of the health system, GP consultations within the MBS are valued far less than equivalent consultations by other non-GP specialists, even after adjusting for different consultation structures. Consultation items for a non-GP specialist are not time tiered. An initial non-GP consultation could take less than 10 minutes and still attract a patient rebate almost twice that of a Level B GP consultation.

Undervaluing GP services within the MBS has the potential to impact patient perceptions about the value of GP services, negatively influencing GP job satisfaction. This can have a detrimental effect on GP morale with broader implications on workforce sustainability as fewer GPs recommend general practice as a career.

Can GPs set their own fees?

Bulk billing patients is not mandatory. GPs are not required to bulk bill any service and should not feel obliged to set their fees solely according to the value of MBS rebates.

Independent practitioners (ie tenant/contractor GPs) can set fees for their services, regardless of whether other GPs in the practice elect to bulk bill. However, employed GPs are limited in their ability to set their own fees. Services such as Aboriginal Medical Services (AMSs) and Aboriginal Community Controlled Health Organisations (ACCHOs) are the services that most consistently bulk bill their patients. GPs working in these services are often salaried, with MBS payments going to the service rather than the individual GP.

What should GPs consider when setting fees?

Rising cost of general practice services

As healthcare expenses continue to rise, the costs associated with running a practice should be considered when determining fees. GPs and practice owners need to consider:

- practice costs, including staff salaries, facilities, equipment, rent and consumables
- professional costs to the individual GP, including indemnity insurance, registrations, and continuing professional development (CPD).

The cost of care will vary depending on the length of time a GP spends with the patient, the complexity of the consultation, the practice support required, and the types of services provided.

Deciding which patients to privately bill

Billing is a personal choice and there are many factors that can influence how GPs choose to bill. GPs may decide to bulk bill certain patient groups and not others. While it might be difficult to start charging patients who have historically been bulk billed, these decisions may be necessary to remain viable.

GPs should exercise their own judgement on what is an appropriate fee for a patient in a particular cohort (eg patients over the age of 65, under the age of 16, or holding a concession/health care card). While patients in these groups may fall within financially vulnerable cohorts, eligibility for some concession cards is not based on financial means. Some patients in these groups may therefore be in a position to afford the fees set by a GP.

Factors involved in determining a fee policy may include:

- market forces
- patient demographics and ability to pay
- rebates provided by the MBS
- attitudes of professional organisations
- public opinion and the attitude of patients in your practice
- attitudes of medical colleagues
- income expectations and needs.

Reviewing fees

To ensure that fees reflect the value of the services GPs and practices provide, GPs and practice owners may wish to undertake a thorough review of their fees annually or biannually. Depending on the practice's accounting cycle, this can either be at the start of the calendar (1 January) or financial year (1 July).

The Australian Medical Association (AMA)'s [Fees List](#) provides costing assistance and guidance on fee setting for medical professionals. The list is indexed every year with an update released on 1 November each year.

What do patients need to know?

The Medicare system is highly complex, and there are misconceptions about what Medicare does and does not fund. Patient education on billing and the MBS system is a necessary part of the relationship between a GP and their patient. GPs need to support patients to understand why out-of-pocket costs for the services they receive may be necessary.

Importantly, patients need to be made aware that **the Medicare rebate is the patient's rebate – it belongs to the patient and does not fully fund general practice care**. When a patient is bulk billed, the patient agrees for their right to the Medicare benefit to be assigned to their GP. As such, the MBS rebate is not indicative of the cost of providing quality general practice services.

More information on discussing billing and the cost of healthcare is available in the RACGP [Discussing fees with your patients information sheet](#).

The RACGP has developed several resources aimed at informing patients. These resources highlight the ongoing lack of investment in general practice and rising healthcare costs.

The printable [fact sheet](#) prompts patients to ask their GP about how they can write to their local MP. The RACGP has developed a [letter template](#) that can be pre-filled by GPs and given to patients to send to their local MP.

What else should GPs be aware of?

While considering billing and business model longevity and viability options, it is important to maintain a thorough knowledge of the MBS system in order to comply with the legal requirements for billing MBS items. RACGP's [MBS online tool](#) assists GPs and practice staff to easily search for relevant item numbers and create their own custom lists which can be downloaded and printed.

Current legislation prevents GPs from charging patients a fee in addition to being bulk billed for a consultation. If a patient is privately billed, it automatically precludes bulk billing or any use of the bulk billing incentives.

GPs also cannot charge 'membership fees' if they wish to bulk bill their patients. However, one way that this can be incorporated is to privately bill the first consultation with the patient each year, and for subsequent consultations to be bulk billed. Case study 3 in the RACGP's [Billing case studies](#) provides an example of how this could work in practice.

Bulk billing incentives

From 1 November 2025, all bulk billed consultations will be eligible for the triple bulk billing incentive. The bulk billing incentive is a small top-up payment provided to GPs who bulk bill Medicare-eligible patients. In addition, practices that bulk bill all of their patients will receive an additional 12.5% incentive payment on every \$1 MBS benefit earned from eligible services. It is not mandatory for GPs and practices to participate in the new incentive program. GPs and practice owners should consider their business model and financial sustainability before deciding whether to participate in the new program.

Additional resources and information

- [Billing calculator](#)
- [Strategies to keep your practice viable](#)
- [A guide to introducing mixed billing in your practice](#)
- [Optimising your billing strategy – a CPD solution](#)

References

1. The Royal Australian College of General Practitioners, "General Practice: Health of the Nation," RACGP, East Melbourne, Vic, 2025.