A guide to introducing mixed billing in your practice

November 2025

RACGP

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Introduction

About the RACGP

The Royal Australian College of General Practitioners (RACGP) is Australia's largest professional general practice organisation, representing more than 50,000 members working in or towards a career in general practice.

The RACGP sets and maintains the standards for high-quality general practice care in Australia and advocates on behalf of general practitioners (GPs) and general practice. As a national peak body, our core commitment is to support GPs to address the primary healthcare needs of the Australian population.

About this guide

This guide is intended for GPs who are considering a mixed billing model (a combination of bulk billing and private billing) to improve the viability of their practice and generate additional income to cover rising operating costs.

Common themes that have emerged in feedback from GPs on the financial and business challenges facing the sector include:

- the inadequacy of Medicare rebates for GP services and the long-lasting impact of the Medicare rebate freeze on business viability
- the difficulties in recruiting and retaining staff
- other human resources issues such as succession planning and salary expectations of employees
- feeling stressed, fatigued, and suffering from burnout
- the need to be aware of developments in technology to maintain the efficiency of the practice
- concerns around compliance measures, legal red tape, and increased regulation.

In the RACGP's 2025 Health of the Nation report, 82% of GP practice owners indicated that financial and business challenges remain the top concern for 82% of GP practice owners.

Definitions

Bulk billing

When a doctor accepts the patient's Medicare rebate, with the patient's consent, as full payment for a service. The patient agrees for their benefit to be assigned to the doctor through the 'assignment of benefit' process. As the doctor accepts the rebate as full payment, the patient incurs no out-of-pocket costs. As of 1 November, all Medicare-eligible patients that are bulk billed will attract a bulk billing incentive payment.

Private billing

When a patient is required to pay the GP's fee in full. The patient may be eligible to claim a Medicare benefit, if the patient is a Medicare card holder. They will receive the relevant patient rebate from Medicare for the service they received, subsidising part of the fee they were charged.

Mixed billing

A billing model that combines both bulk billing and private billing. Some patients/services are bulk billed, while others will incur out-of-pocket expenses. General practices are free to determine which patients to privately bill or bulk bill. This can be based on a range of factors including age (ie under 16, over 65) and/ or socioeconomic status (ie concession card holder), care provided (ie health assessment, care plan).

Gap fee/payment

The patient's out-of-pocket amount if they have been privately billed. This is calculated by deducting the Medicare rebate from the total service fee.

RACGP position on billing

General practices operate as private businesses and require tailored, sustainable business and billing models in place to ensure they remain financially viable and can continue to provide high-quality care to the community.

The RACGP supports specialist GPs and general practices to determine billing policies and consultation fees that enable them to provide high-quality general practice services. GPs and general practice teams should determine fair and equitable fees for their services to ensure their practice's financial viability and high-quality patient care.

Billing is a personal choice and there are many factors that may influence how a GP bills, including patient demographics, practice location and desired income. Whether GPs privately bill some, or all, patients will depend on these factors. Bulk billing patients is not mandatory. **GPs are not required to bulk bill any service.**

GPs should abide by legislative requirements and consider the impact of billing changes on their patients when determining or changing their billing policy or model.

Patient education on billing is a necessary part of the relationship between a GP and their patient(s). GPs need to support patients to understand out-of-pocket costs associated with medical consultations, whether these be at their own practice or externally referred consultations. 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 nor the value of quality care received by patients.

The RACGP's *Standards for general practices* (5th edition) require accredited practices to communicate billing practices with their patients.

Fee-for-service

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.

The RACGP has consistently advocated for government to modernise and simplify the fee-for-service system to reflect the cost of providing care and incorporate funding systems that support longer consultations for more complex patients and high-quality care for all. The RACGP's Vision for general practice and a sustainable healthcare system notes that a properly functioning fee-for-service model supports patient access to care and maintains flexibility and responsiveness. However, additional investment is required. GPs and their teams must be integrated to communicate with all facets of healthcare and social systems, making it possible and practical for patient care to be coordinated from a central point.

This is addressed further in the RACGP's July and November 2021 submissions to the Primary Healthcare 10 Year Plan, as well as our position statement that covers funding priorities, pre-budget submission advocacy and most recently, the RACGP's 2025 election campaign platform.

Medicare advocacy

Despite general practice being the most highly accessed part of the Australian health system, government expenditure on general practice is significantly less than expenditure in other parts of the health sector. The Report on Government Services show that expenditure per person is far greater in hospitals ($3,649) than in general practice ($452.40). General practice represents only 6.5% of total government spending and this proportion is trending down[1]. A wholesale shift in focus is needed along with the political will to align policies across federal, state and territory governments to bolster general practice funding flows and refocus general practice to be at the core of the Australian healthcare system.

The RACGP is committed to advocating for improved indexation and setting of rebates to reflect the true cost of providing high-quality, safe, comprehensive and coordinated medical services. Key asks of the RACGP's 2025 Federal

[1] see Wright, M et al (2025), Evaluating primary care expenditure in Australia: the Primary Care Spend (PC Spend) model, Medical Journal of Australia, 222 (3), pp. 149-154.

Election platform included a 40% increase for all Level C and D consultations and a 25% rebate increase for Mental Health items. Improved funding to Medicare is critical so that GPs who bulk bill can continue to do so, and those that don't may be more inclined to do so.

Patients living in low socioeconomic areas, including many rural/remote and Aboriginal and Torres Strait Islander communities, often face more complex health challenges and financial barriers to care. While additional investment by the Australian Government to improve bulk billing may improve affordability and access for some, general practices in these areas will remain financially vulnerable without structural reform to improve Medicare funding and support for complex care.

The RACGP acknowledges the Australian Government's commitment to improving access and quality of care for all Australians and welcomes continued investment into general practice. The RACGP maintains that an increase to the Medicare rebate is the most sustainable way for general practices to provide care and for patients to access quality general practice services.

Practice costs

Healthcare expenses continue to rise due to the increasing costs of consumables, rent, utilities, insurance, new technologies and medicines, and the wages of a skilled labour force.

Income generated through fees can be used to resource primary care teams and upgrade infrastructure. For example, profits allow practices the option to pay for additional team members such as practice nurses and allied health professionals, as well as ensuring they have the latest equipment and digital technology to support patient care and their business requirements.

The costs associated with running a practice should be considered when determining the cost of care. Practices and practice owners need to consider both:

- **practice costs:** including staff salaries, facilities, equipment, utilities, rent, consumables and compliance costs such as accreditation
- **professional costs to individual GP:** including regulatory costs such as insurance, registrations, and continuing professional development (CPD).

According to the 2024 CommBank GP Insights report, operating costs for 87% of survey respondents have increased, while revenue was lower or remained stagnant for 61% of survey respondents.

Many of the costs in medical practices are fixed in advance and do not vary with the activity level (patient service volume). This means that costs such as rent, wages of permanent staff and many other operating costs are relatively consistent regardless of the number of patients seen. These are referred to as **fixed costs**. Some expenses – telephone calls, postage, casual staff, and medical consumables – are related to activity level. These are **variable costs**.

When analysing practice costs, it is necessary to consider the number of full-time equivalent (FTE) doctors and patient service volume to gain a better understanding of their revenue and business overheads.

Medicare billing rules

Maintaining a thorough knowledge of the MBS is required in order to comply with the legal requirements for billing MBS items. You can stay up to date with the latest item descriptors and rebates by using the RACGP's MBS online tool. All MBS item descriptors can be searched via MBSonline.

The tool allows you to enter your own fee for each service. It will automatically calculate the patient out-of-pocket contribution. You can also create your own custom lists which can be downloaded and printed for ease of reference.

90 day pay doctor cheque scheme

When a patient has not fully paid their medical account and is entitled to a Medicare rebate, the patient can request for a Pay Doctor via Claimant (PDVC) cheque to be drawn. The patient is sent a PDVC cheque which they must forward to the doctor as payment. When the practitioner lodges a claim with Services Australia for an unpaid or partially paid medical account, the patient is sent a PDVC cheque which they must forward to the practitioner as payment. Doctors are automatically paid the Medicare rebate via Electronic Funds Transfer (EFT) if the patient doesn't provide the practitioner with the cheque, or it is not banked after 90 days.

GPs do not need to register for the scheme if they submit claims electronically for unpaid or partially paid patient accounts. Visit the Services Australia website for more information.

Charging the gap fee only

Unlike other forms of health insurance, current legislation prevents patients from paying the difference between their patient rebate and the total fee for the service. Instead, privately billed patients are required to pay the whole fee and subsequently obtain reimbursement for their benefit from Medicare. The Health Insurance Act 1973 provides the legislative framework for the payment of Medicare benefits. It is important that patients are made aware and understand they need to pay in full on the day of the consultation.

Bulk billing and additional charges

If you decide to bulk bill a patient, no additional costs (ie dressing costs) can be passed on to that patient. Deciding to privately bill a patient automatically precludes bulk billing or any use of bulk billing incentives. If you find that the costs of dressings and other consumables are prohibitive, consider privately billing your patient to cover your expenses. You could consider privately billing more consultations.

GPs also cannot charge 'membership fees' if they wish 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. Billing case study 3 provides an example of how this could work in practice.

The Department of Health, Disability and Ageing has developed an educational resource providing information on Medicare requirements for bulk billing and the charging of additional fees to patients.

Split billing

Where you provide multiple services on a single occasion, you can choose to bulk bill some or all of those services. This is known as split billing. The exception is when the Multiple Operational Rule affects the services. In this case the provider can use only one claiming channel. This also applies to the diagnostic imaging multiple services rules (DIMSR). Further information is outlined in MBS Note GN.7.17 and on the Services Australia website.

Deciding which patients to privately bill

Billing is a personal choice and there are many factors that can influence how GPs choose to bill. They may decide to bulk bill certain patient groups, such as children, concession card holders and/or pensioners. Some GPs may still find that this is not viable and may decide to privately bill these groups. While it might be difficult to start charging patients who have historically been bulk billed, sometimes these decisions need to be taken to remain viable.

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.

Market forces

GPs are a limited resource in many parts of Australia. GPs who are willing (and able) to move to areas of greatest need will find reduced competition or pressure from other doctors to bulk bill. In fact, some communities and practices would be extremely pleased to have a doctor.

The decision to bulk bill all patients is based on either a business model or a philosophical view about the social role of medicine. In a region where all other GPs are providing full bulk billing, the decision becomes more complex. Doctors who privately bill patients when cheaper alternatives are available may need to consider providing a point of differentiation.

Demographics

Local knowledge about the community GPs service will provide information about patients' ability to pay a gap. A large population base with a small number of GPs will provide more scope to privately bill patients. A population with high levels of social and economic disadvantage could be resistant to paying doctors' fees. This can result in neglecting health needs rather than attending a doctor, risking a greater burden of disease.

MBS and rebates

The Australian government determines the amount for the schedule fees for items listed on the MBS. They represent the amount that the government is willing to pay, rather than the value of the service. The government's contract is with the general public, not with GPs.

Most practices use the MBS as a reference point when determining fees even when they charge more than the scheduled fee. The MBS is indexed annually on 1 July each year. Practices commonly adjust fees annually and usually at the same time as annual MBS indexation.

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 incentive payment provided to GPs who bulk bill Medicare-eligible patients. In addition, practices that bulk bill all Medicare-eligible 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. You may wish to consider whether the new program may influence your fee structure, and you choose to bill them.

Professional organisations

The RACGP and other peak bodies, such as the Australian Medical Association (AMA) and the Australian Competition and Consumer Commission (ACCC), support GPs to determine reasonable fees. Both the RACGP and the AMA have publicly stated that the MBS does not adequately support the costs of GPs providing care to patients. This position can be used by GPs when they explain the rationale for patient out-of-pocket expenses.

Figures 1 and 2 below show inflation versus Medicare indexation and actual increase of MBS item 23 with inflation.

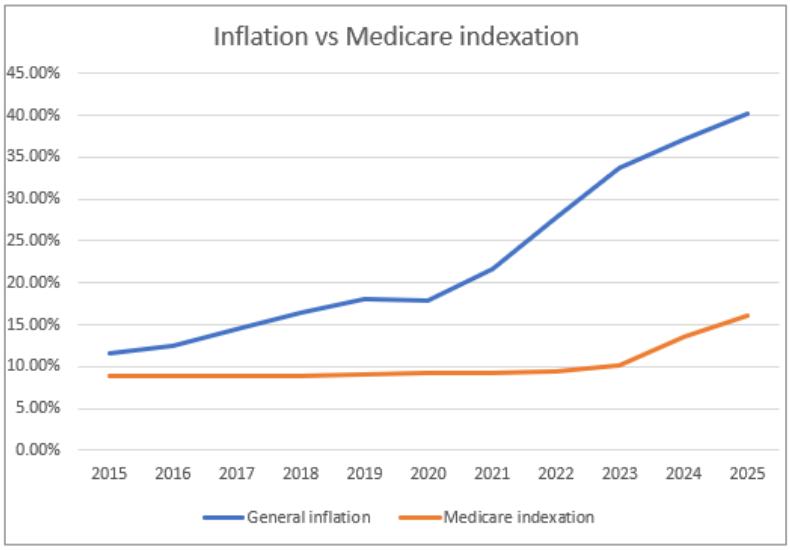

***Figure 1**. Inflation versus Medicare indexation from 2015 to 2025*

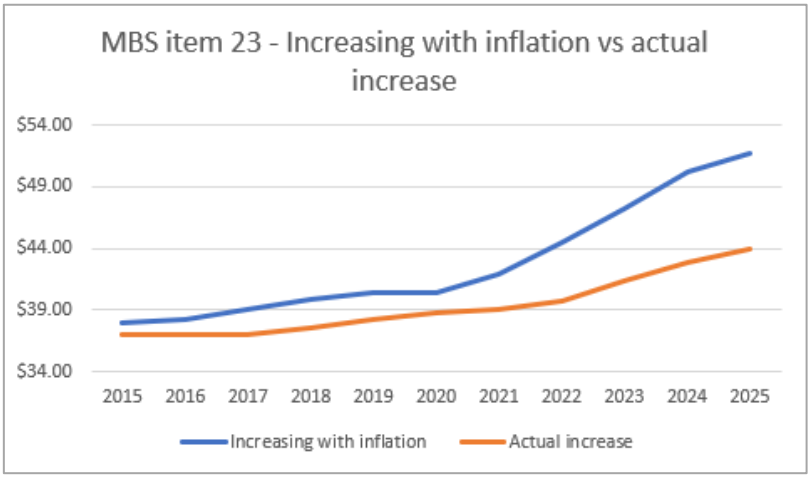

***Figure 2**. MBS item 23 patient rebate versus actual increase with inflation from 2015 to 2025*

Public opinion

It is important to be sensitive to public opinion, particularly to the views of patients, when determining fees. The majority of patients will accept the fact their doctor needs to charge a reasonable fee, but a small percentage expect 'free' medicine and may complain about any unexpected charges, especially given the introduction of the triple bulk billing incentive and the new Bulk billing practice incentive program by the Australian Government.

To minimise pushback and encourage acceptance, take steps to ensure that patients are well informed of fees prior to their consultations. This can be done using large notices or patient brochures, or by verbal explanations to new patients. For regular patients, you should explain any additional medical fees or changes. A significant change in billing policy should have a reasonable lead time (approx. 3-6 months) to enable the new policy to be effectively communicated to new and existing patients.

Medical colleagues

It is helpful to understand your peers' attitudes to billing, both within your practice and in the wider medical community. You may also wish to seek guidance from other GPs and practices who have already transitioned to mixed billing to understand how they determined their fees and how well their patients accept these.

When several GPs within a practice agree to change their billing policy, care needs to be taken in setting fees to ensure compliance with the Competition and Consumer Act 2010. The Australian Competition and Consumer Commission (ACCC) authorises GPs that practise in defined business structures to set intra-practice fees and to collectively bargain as single practices in relation to the provision of Visiting Medical Officer services to public hospitals and with Primary Health Networks (PHNs). You may need to seek advice from a legal practitioner to find out whether the practice you work in is covered by the ACCC determination regarding intra-practice price setting.

GP needs and expectations

Ultimately, GPs need to make the decision regarding their own billing policy based on what they believe to be reasonable. Setting fees too low increases the pressure to work faster or longer than may be safe, increases the potential for an adverse patient event, reduces ability to re-invest in professional development, and may contribute to burnout and decreased work satisfaction. On the other hand, if a GP's fees are unrealistically high, they may find patients are either unable to see them or are resentful when they have no alternative options.

Investing in professional advice from an accountant or a management consultant can produce significant benefits in the financial performance of your practice.

At-risk patients

GPs should exercise their own judgement on what is an appropriate fee for a patient in an 'at-risk' cohort. While patients in these groups may be financially vulnerable, eligibility for some concession cards is not always based on financial means. Many patients in these groups can therefore afford the fees set by a GP for its services.

The RACGP does not provide advice on means testing patients to determine your billing policy. It may be easier to bulk bill specific groups that are clearly defined (eg children, pensioners). However, GPs can choose to narrow this down further by eliciting information on each patient's financial circumstances. GPs may also implement different billing arrangements for different patients depending on how much they know about a patient's personal circumstances.

Change to the Commonwealth Seniors Health Card

The Commonwealth Seniors Health Card (CSHC) allows holders to access cheaper healthcare and some discounts if they have reached Aged Pension age. Older Australians can use their Commonwealth Seniors Health Card to access cheaper medicines under the Pharmaceutical Benefits Scheme (PBS), bulk billed doctor visits (at the discretion of the provider), and the lower thresholds of the PBS and Medicare safety nets.

Eligibility criteria for the CSHC was changed in 2023, specifically with regards to age and income limits. From 20 September 2023, income limits for the CSHC were increased with more than 44,000 newly eligible CSHC holders expected to benefit within the first year of implementation. This is projected to increase to an additional 52,000 card holders by 2026-27. The new income limits are reviewed on 20 September each year and will apply to both current and future card holders and claimants.

GPs are reminded that they are not obligated to bulk bill older patients. The decision to bulk bill remains at the discretion of individual GPs. If GPs have historically privately billed older patients, including those with concession cards, they can continue doing so. GPs need to be mindful that expanding eligibility for the CSHC means there will be many additional patients who will have access to the benefits of the card but could potentially still contribute to the cost of their healthcare, particularly if they are not frequent visitors to your practice.

Recommended fees

The RACGP does not recommend specific fees for services. It is up to individual GPs to determine what their desired income is and what they need to charge patients to achieve this. GPs and practice teams can refer to the RACGP's General Practice Business Toolkit for information on determining your fees.

The AMA Fees List is a schedule of items and fees for over 5,000 medical services. The Fees List is a resource provided for free to AMA members and as a paid annual licence for non-AMA members. The Fees List is updated regularly in response to the changes arising from the federal government's MBS Review. It is used by medical practitioners for guidance on determining appropriate fees for medical services. It is also used by state health departments, state and federal workers compensation schemes and health insurers as a resource to determine fees they may pay to medical practitioners under their respective jurisdictions and schemes.

Further information on the AMA Fees List is available via the links below.

Demonstration YouTube video
Contact email address: feeslist@ama.com.au

Advice for independent contractors

GPs that operate as independent contractors rather than salaried employee(s) are free to determine their own billing policy, even if other doctors within their practice exclusively bulk bill.

If GPs experience pushback from other doctors, they should discuss with the practice owner(s) about their intention to move away from bulk billing and the rationale for this.

The issue of employee contracts can be complex. The RACGP's General Practice Business Toolkit provides some information on the difference between an employee and a contractor in Module 5 – Your practice team. The Fair Work Ombudsman, Business.gov.au and the Australian Taxation Office also provide advice about the differences between employees and contractors.

It is important to remember that billing is an individual choice. If a GP has strong views on mixed billing but other doctors in the practice do not feel the same way, they are not obligated to follow the decision of individual GPs and change the way they bill. GPs who see a high proportion of at-risk patients may be particularly reluctant to change their billing policy. However, the RACGP encourages all members and practice owners to think about their billing policies and whether they are sufficient to cover practice costs, as well as achieve an optimal work-life balance. RACGP membership gives access to a range of resources to help GPs manage their billing.

Investing in professional advice is highly recommended to gain clarity on contracts and service agreements, finances and billing management.

Corporate practices

While we acknowledge a number of RACGP members work in non-corporate, GP-owned practices, a growing proportion of GPs – 23% – work in corporate settings. The RACGP supports its members regardless of the setting, and varied business models under which they work, ensuring that members are properly equipped to deal with funding constraints and manage their finances accordingly.

Although research suggests the trend towards larger corporate owned general practices may affect access and quality of patient care, there is still considerable debate about the impact of corporate practices. If GPs work for a corporate practice as an independent contractor rather than a salaried employee, they should be free to determine their own billing policy, even if the fee structures of other doctors in the practice differ.

Billing case studies

These case studies outline possible ways for GPs to introduce mixed billing with their patients. They are fictional examples only and are intended to provide different options for GPs to consider.

The case studies outline billing changes/strategies such as bulk billing certain patients, bulk billing specific services and intermittent charging. The scenarios are based on the Level B consultation item (<20 minutes).

Case study 1 – Bulk billing certain patients

Dr Smith works 32 hours per week, with 28 hours of clinical time (consulting with patients) in an MMM2 area. He sees an average of 115 patients a week. Dr Smith has been bulk billing every patient and decides to only bulk bill health care card holders (20% of patients) and charge all other patients a fee of $95 per standard consultation (Level B attendance).

This change results in Dr Smith's billings increasing from $316.90 to $375.52 per clinical hour. This amounts to an additional $1,642.20 in billings per week and $78,825.60 per year. With an average of 40% of billings paid to the practice, Dr Smith earns $6,308.67 per week and $302,816.16 per year before tax.

**Scenario based on MBS item 23 (Level B attendance lasting less than 20 minutes), which has a rebate of $43.90, and the bulk billing incentive item 75871 which is $33.25 for MMM2. It is assumed the GP takes four weeks of annual leave per year.*

Case study 2 – Bulk billing specific services

Dr Le has been providing a mix of face-to-face and telehealth services since the start of the COVID-19 pandemic. She decides to adopt a mixed billing model to cover practice costs. Dr Le works in a practice in MMM4 area.

Dr Le works 38 hours per week. On average, 30.5 hours of this is clinical time and 7.5 hours is spent on non-clinical work (e.g. paperwork, following up on test results, arranging care for patients at home). She sees around four patients per hour – a total of 122 per week. Dr Le bulk bills all telehealth services (approximately 50% of her caseload) and privately bills face-to-face consultations (50% of services), charging an average fee of $98.

As a result of this change, Dr Le's weekly billings increase from $9,741.60 to $10,809.20. This is an extra $1067.60 per week. Her annual billings increase by $51,244.80 from $467,596.80 to $518,841.60. Dr Le receives 65% of her billings, resulting in earnings totalling $337,247.04 before tax.

**Scenario based on MBS items 23 (Level B attendance lasting less than 20 minutes), 91891 (Level B phone consultation) and 91800 (Level B video consultation), which all have rebates of $43.90, and the bulk billing incentive item 75873 which is $35.30 for MMM4. It is assumed the GP takes four weeks of annual leave per year.*

Case study 3 – Intermittent charging

Dr Jones is a practice owner in MMM6 who identifies that a certain number of his patients can afford to contribute to the costs of their healthcare (i.e. those who aren't on any form of social support). He decides to charge $100 for the first consultation with these patients per financial year and bulk bill all subsequent consultations. This means a gap of $56.10 for patients who are privately billed. This allows Dr Jones to accrue enough income to cover expenses, while continuing to provide access to affordable care for patients who cannot afford practice fees.

This means that Dr Jones' billings will increase as follows:

Scenario	Before	After
Patient who attends two consultations	$167.10	$183.55
Patient who attends five consultations	$417.75	$434.20

Patient who attends 10 consultations	$835.50	$851.95

This concept can work in various ways. After the initial privately billed consultation, subsequent billing is at the GP's discretion. For example, the GP may continue to privately bill patients who don't qualify for the MBS bulk billing incentive and revert to bulk billing for those who are eligible.

Scenario based on MBS item 23 (Level B attendance lasting less than 20 minutes), which has a rebate of $43.90 and the bulk billing incentive for MMM6 which is $39.65.

RACGP billing calculator

The RACGP's billing calculator can help GPs and practices to meet their financial goals. It is designed to demonstrate the mechanics of fee-for-service and help GPs to understand how billing may affect their income and the lifestyle they wish to achieve. The calculator will help to guide GPs in setting an appropriate consultation fee, as well as the number of services they would need to bill to meet the goal. Experimenting with different calculations will help GPs determine how many sessions, individual consultations and for practice owner(s), the number of clinical staff in the practice will need to meet ideal financial goals.

Decisions relating to financial management are extremely important, so it is essential GPs and practice owners seek professional advice (eg accountant, financial advisor, lawyer) relevant to their individual circumstances. This calculator is not intended as a comprehensive accounting tool and is provided for general guidance only.

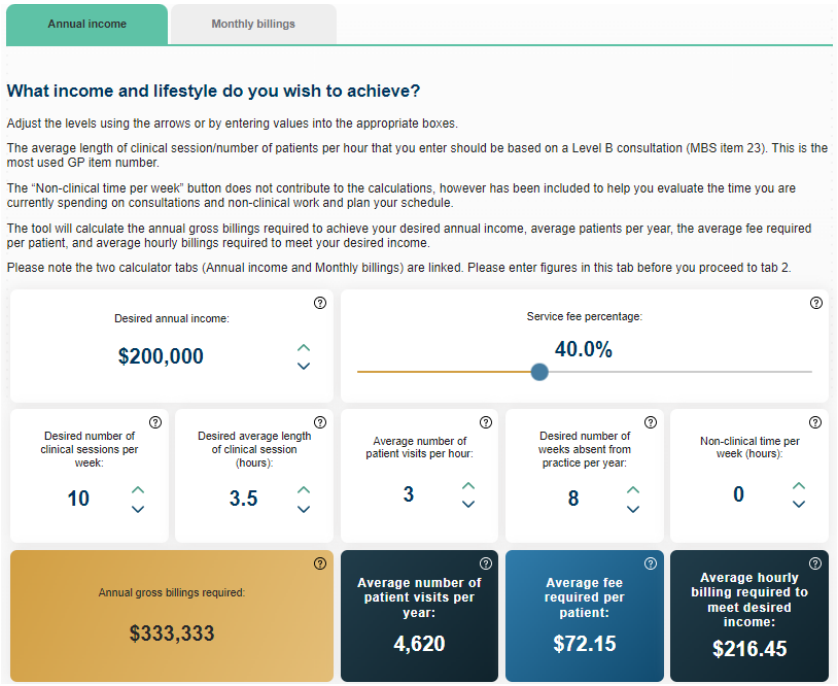

***Figure 3**. Annual income tab in the RACGP Billing calculator*

Please note: *The two calculator tabs ('Annual income' and 'Monthly billings') are linked. Please enter figures in this tab before you proceed to the 'Monthly Billings' tab.*

Tab 1 – Annual income

The first tab – 'Annual income' – will calculate the annual gross billings required to achieve the desired annual income, average patients per year, the average fee required per patient, and average hourly billings required to meet the objective. See Figure 3 below.

The average length of clinical session/number of patients per hour entered should be based on a Level B consultation (MBS item 23). This is the most used GP item number.

The 'non-clinical time per week' button does not contribute to the calculations, however, has been included to help to evaluate the time GPs are currently spending on consultations and non-clinical work and plan their schedule accordingly.

Tab 2 – Monthly billings

In the 'Monthly billings' tab, users will be asked to enter the number of each service that a GP provided in the previous month. Users don't need to select all items listed – only those that are used in the practice. The calculator will tell the user what the predicted annual income is and advise if it meets the defined goal. Figure 4 below shows the monthly billings tab.

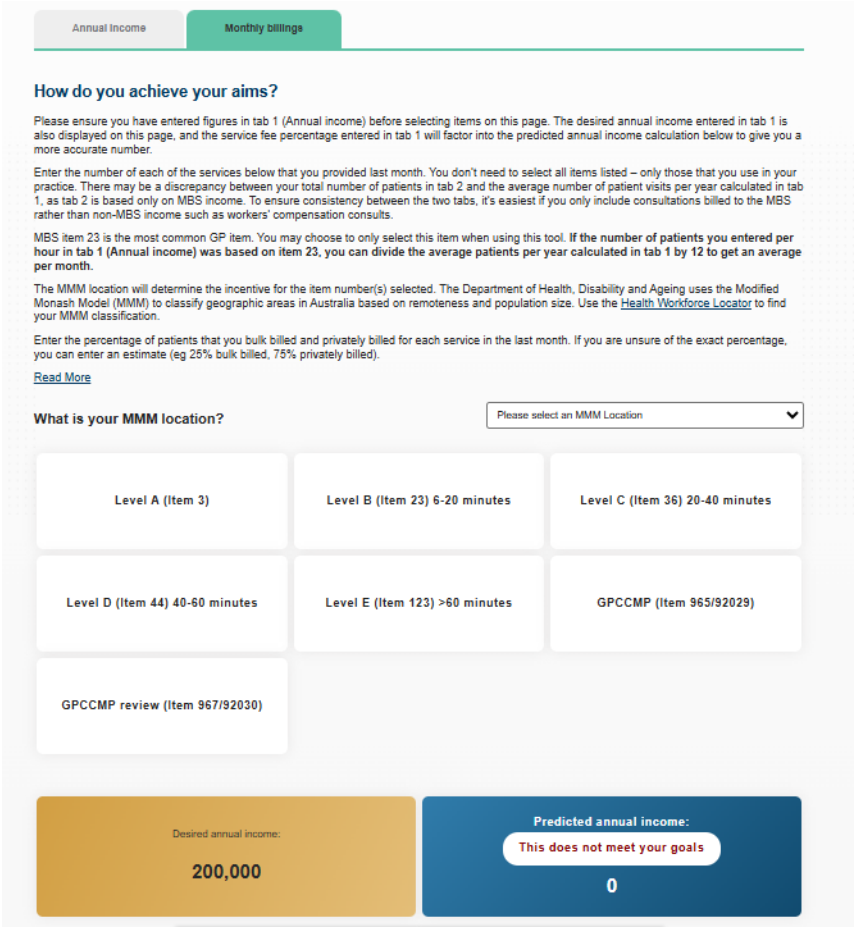

***Figure 4**. Monthly billings tab in the RACGP Billing calculator*

Figure 5 (below) shows what is seen when an MBS item and the MMM location is selected. The MMM location selected will determine the incentive for the item number(s) selected. Users will need to enter the percentage of patients that are bulk billed and privately billed for each service in the last month. If you are unsure of the exact percentage, you can enter an estimate (eg 25% bulk billed, 75% privately billed). Monthly billing statistics can be accessed through your practice software. Most general practice clinical information systems will allow users to run a billings report.

If you privately bill an item, enter your practice fee in the field provided. This tab only includes the most common MBS items used by GPs. There are many other items available and, as such, this tool may not be suitable for all GPs depending on their personal circumstances. For standard consultations (Level A to E), only face-to-face items have been included because telehealth items mirror face-to-face items and have equivalent rebates. This tool is therefore suitable for use by GPs consulting primarily via telehealth (simply select the relevant face-to-face item/s).

You can adjust the figures you enter for 'Percentage of patients bulk billed' and 'Percentage of patients privately billed' to see what your income will look like if you adjust your bulk billing rate. For example, you may choose to reduce your bulk billing rate by 5%.

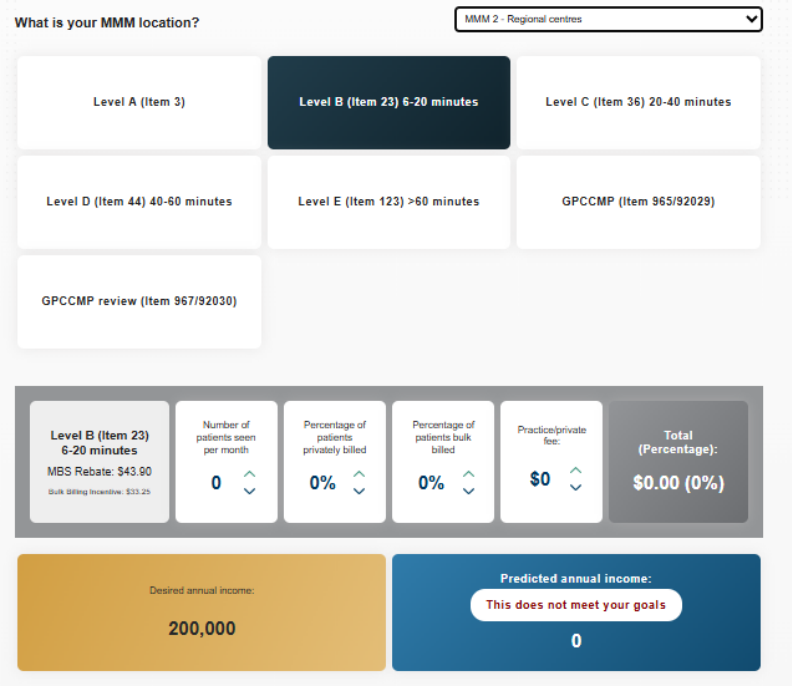

***Figure 5**. Level B item in monthly billings tab.*

Letting patients know about changes to your billing model

Many patients are starting to recognise the value of the care they receive from their GP, particularly as GPs kept their doors open during the COVID-19 pandemic and were there to support their patients. Patients have also valued the flexibility that telehealth consultations provide. The number of people who pay for general practice care compared to other health services is quite small. Patients who are paying out-of-pocket costs do not see this as a problem if they feel they are receiving value for money.

Nevertheless, you should be transparent about any out-of-pocket cost patients may incur at your practice to avoid any unintended consequences, such as patients avoiding or delaying seeking care for a perceived minor issue.

The RACGP's *Standards for general practices* (5th edition) requires practices and GPs to inform patients about any out-of-pocket costs associated with their care. This is detailed in Criterion C1.5 – Costs associated with care initiated by the practice:

- C1.5►A Our patients are informed about out-of-pocket costs for healthcare they receive from our practice.
- C1.5►B Our patients are informed that there are potential out-of-pocket costs for referred services.

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 expenses 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 your website, via online booking platform or by a phone conversation or voice/text message)
- providing training to staff in challenging conversations, taking into consideration how practice staff should respond to a patient who is particularly upset about fees
- ensuring staff feel confident discussing fees/changes with patients.

GPs may need to consider further resources and support material to assist patients to understand how the MBS and other arrangements support their access to general practice care.

Tips for informing patients about fees

By the time the patient has booked, arrived and seen the doctor, they should already be aware of the policy around billing and expectations of when payment is required (on the day etc). There will be rare cases where patients are unable or unwilling to pay on the day. If this does happen, consider how to educate patients so they remember next time. Some helpful tips may include:

- Allow sufficient time for patients to be advised (approx. 2–3 weeks prior to appointment where appropriate).
- Add a notice to the practice website (consider placement of payment policy on your homepage as part of transition process, and also within a fees section).
- Have a notice in the waiting room and/or in your bathroom facilities.
- Send a mass SMS to patients via practice management software or appointment booking system. For example: *As of <date>, our practice will be moving to <policy>. Patients will be required to pay on the day, and we are able to process the Medicare rebate at the practice. You can also claim the rebate through the MyGov app, in person or over the phone with Medicare at your convenience.*
- Promote Medicare Easyclaim – the rebate goes in the patient's bank account on the same day as the consultation.
- Receptionists should remind patients about fees at the time of booking.
- Include a message about fees in SMS appointment reminders.

Will I be bulk billed because of the new Government incentives?

Below are some responses that can be used to assist in conversations with patients about why they are being charged a gap fee or why fees have increased. Patients might also expect to be bulk billed given the recent government changes to the bulk billing eligibility.

- Not always. The extra amount patients receive from Medicare helps, but it still doesn't cover the full cost of care. Some visits may be bulk billed, but others may still have a fee.
- When you are bulk billed, Medicare sends your patient rebate directly to the GP directly and you don't pay anything. But the amount Medicare provides is in many cases still too low to cover everything it takes to run a practice, such as staff, rent, power, and medical supplies.
- Running a GP clinic costs money. Just like other small businesses, we're facing higher bills for staff, power, rent, and equipment.
- Unfortunately, the amount patients receive from Medicare hasn't kept up with those rising costs, especially for longer visits. A small fee helps us keep the doors open and give you the time and care you need.

- The bulk billing incentive is just a small top-up payment that GPs receive for bulk billing their patients and does not cover the cost of care.
- Revenue generated through fees is used to resource primary care teams and upgrade infrastructure. For example, it allows practices to pay for additional staff such as practice nurses and allied health professionals,

Medicare Safety Nets

Medicare Safety Nets can help to lower patients' out-of-pocket costs for non-hospital services.

The Safety Net could potentially be used as a tool to encourage more doctors to privately bill. Even if a patient is bulk billed by their GP, they might reach the Safety Net threshold relatively quickly if they are seeing other specialists (eg pregnant women, people who have had surgery). Once they reached the Safety Net threshold patients could be privately billed with minimal out-of-pocket expenses, as more of their costs will be covered by the government.

If you scan a patient's Medicare card and see that the Medicare rebate is higher than usual, this indicates that the patient has reached the Safety Net threshold. You could then make a note to privately bill that patient going forward. The Safety Net may not be suitable in all circumstances, as many patients who do reach the threshold do so quite late in the calendar year (ie November/December). The threshold amounts are reset each year on 1 January.

Patients do not need to register for the Safety Net if they are an individual with no dependants. Families and couples can register together to combine their costs, meaning they are more likely to reach the thresholds sooner. Families can register by completing the Medicare Safety Net Registration and Amendment for Couples and Families form (MS016). This only needs to be done once.

Patients can check their threshold amount through their Medicare online account, the Express Plus Medicare Mobile app, or by ringing Medicare.

2025 Medicare Safety Net thresholds

Thresholds	Threshold amount	Who it's for	What counts towards the threshold	What benefit you'll get back
Original Medicare Safety Net (OMSN)	$576.00	Everyone in Medicare	Your gap amount for the calendar year.	100% of the schedule fee for out of hospital services.
Extended Medicare Safety Net (EMSN)-General	$2615.50	Everyone in Medicare	Your out-of-pocket amount for the calendar year.	80% of out-of-pocket costs or the EMSN benefit caps for out of hospital services.
Extended Medicare Safety Net (EMSN) - Concessional and Family Tax Benefit Part A	$834.50	Concession cardholders and families eligible for Family Tax Benefit Part A	Your out-of-pocket amount for the calendar year.	80% of out-of-pocket costs or the EMSN benefits caps for out of hospital services.

***Table 2**. 2025 Medicare Safety Net thresholds. Source: Services Australia*

Other strategies to keep your practice viable

There are a number of other strategies you can employ as a practice owner to ensure you have sufficient income to cover the costs associated with providing general practice services, and your personal expenses. Please note the strategies listed below are suggestions only and may not be suitable to your particular circumstances.

- Undertake a detailed review of practice costs (eg rent, utilities, salaries, insurance, medical consumables, infrastructure and technology costs).
    - Have costs increased over time and why?
    - Are there costs that can be reduced?
    - Can you change providers/suppliers to lower costs?
    - Does the cost of providing a service exceed the Medicare rebate?
- Accept work from private payers (eg workers compensation, occupational health).
- Run specialised clinics to generate additional income.
- Make sure you have a sound understanding of Medicare item numbers that you can claim.
- Understand when co-claiming is appropriate or where specific item numbers offer greater rebates than consultation item numbers.
- Use practice management software to improve the efficiency of your practice (eg Software can be used to quickly and easily complete forms, identify patients who are overdue for an appointment and target reminders for patients with complex care needs).
- Look into alternative funding streams such as PHN grants and Practice Incentives Program (PIP) payments.
- Undertake non-clinical work (eg medical writing, advisory roles).
- Supplement income from other sources such as community health clinics and hospitals.
- Think about your employment arrangements.
    - Should you employ or contract staff?
    - How can you optimise the roles of other staff in your practice to improve efficiency (eg GPs in training, nurses, allied health professionals, receptionists)?
- Undertake further training in business management.

Checklist

When considering whether to transition to mixed billing, you need to consider:

- your competitive advantage
- your practice and personal costs
- your goals and objectives
- your familiarity with Medicare billing rules
- who you will and will not privately bill
- which services you will and will not privately bill
- how much patients you will charge privately billed consultations
- your anticipated gross income per day, week, month and year
- how many consultations you will provide per day, week, month and year
- how you will deal with pushback from others in your practice
- how you will communicate with patients about fees
- how you will develop methods to reduce implementation risk.

List of resources

RACGP billing resources

General Practice Business Toolkit

The General Practice Business Toolkit helps RACGP members to establish, manage and enhance their practice. The toolkit includes six modules:

1. Becoming an owner of a general practice
2. Your practice premises
3. Marketing your practice
4. Your practice finances, including section on patient fees
5. Your practice team
6. Closing, relocating, merging and selling your practice

Billing calculator
Supporting sustainable billing practices for general practice

RACGP CPD activity

Optimising your billing strategy – self-directed learning to support members in effectively implementing a new billing model

Patient resources

Patient fact sheet
Patient letter to MPs

RACGP Medicare resources

Medicare Benefits Schedule online tool
Updates on changes to the MBS affecting GPs
Statement on Medicare interpretation and compliance

The RACGP provides a support program for members who are experiencing stress or similar difficulties due to compliance measures.

GP Wellbeing
Self-care and mental health resources

RACGP reports and advocacy resources

Vision for general practice and a sustainable healthcare system
General Practice: Health of the Nation 2024
RACGP position statement – Funding priorities
RACGP Advocacy resources

Australian Medical Association

Informed financial consent: A collaboration between doctors and patients
AMA Fees List website
AMA Fees List - Demonstration YouTube video
Contact email address: feeslist@ama.com.au

MBS Online and AskMBS

MBS Online
MBS Online news
MBS Online fact sheets
AskMBS advisories

Enquiries relating exclusively to interpretation of the MBS should be emailed to askmbs@health.gov.au.

Department of Health, Disability and Ageing

Medicare bulk billing and additional charges
MBS Note GN.7.17 – Billing procedures
Out of pocket costs

Services Australia

Bulk bill payments to health professionals
90 day pay doctor cheque scheme
Additional charges and bulk billing
Bulk billing and private billing together
Billing multiple MBS items
Commonwealth Seniors Health Card
Medicare Easyclaim
Medicare Safety Nets

Difference between employees and contractors

Fair Work Ombudsman
Business.gov.au
Australian Taxation Office

Compliance education

The Department of Health, Disability and Ageing has developed educational resources to help GPs meet their legal obligations and reduce the risk of incorrect billing under Medicare. Available resources include:

eLearning programs
Health professional guidelines
Record keeping guidelines
Medicare billing assurance toolkit
Medicare resources and publications
MBS Note GN.15.39 – Practitioners should maintain adequate and contemporaneous records

The Services Australia website has a range of MBS education resources outlining claiming requirements for medical practitioners, allied health professionals and practice staff. Available resources include education guides, eLearning programs and infographics.

Other resources

GP representation – Information for RACGP members
A guide to writing medical reports
Australian Medical Association guide: Informed Financial Consent – a collaboration between doctors and patients
ACCC: Fee setting by medical professionals

Further information

If you have further questions about billing or the business of general practice, please email the RACGP's Funding and Health System Reform team via healthreform@racgp.org.au.

You might also want to consider joining the RACGP's Business of General Practice Specific Interests Group. For more information, contact RACGP Specific Interests via gpsi@racgp.org.au.