



What is the MBS?

The benefits you receive from **Medicare** are based on a Schedule of fees for medical services set by the Australian Government. The **Medicare Benefits Schedule (MBS)** lists a wide range of consultations, procedures and tests, and the Schedule fee for each of these items (for example, an appointment with your GP or blood tests to monitor your cholesterol level.)

The **Schedule fee** is the amount the Government considers appropriate for one of these services. Health consumers can claim 100% of this fee as a **rebate** for general practice services and 85% of non-GP services from Medicare when the services are provided out of hospital. For services provided in a **private** hospital Medicare will rebate 75% of the Schedule fee. This doesn't mean that the service provider (for example a doctor, pathologist or physiotherapist) will not charge you more than the Schedule fee, so you will often have to pay a '**gap fee.**' Every Australian contributes to the health system through their income tax.

If you attend a **public** hospital you will not be charged for care and treatment or aftercare relating to your public hospital treatment.

Medication is not generally covered under the MBS. **The Pharmaceutical Benefits Scheme** (the PBS) is the system that the Government uses to provide subsidies for prescription medication.

Who decides what is on the MBS? How do we know if it is effective and good value for money?

Until 1 January 2010, there was no clear process for adding new items to the MBS. There was also no clear, consistent system for identifying and removing items from the MBS when they were no longer considered best practice or effective. There was no consistent and formal process in place to test or review items already on the MBS, or new items coming onto it, to ensure they were doing what they were intended to do and were safe and cost effective. Only three percent of items have been assessed for safety, effectiveness and cost-effectiveness. As a result many MBS items have limited evidence proving their safety and efficacy. The system for adding or removing items was not consistent or transparent.

What is the Quality Framework? What will it do for consumers?

The Federal Government has recently taken steps to develop and implement a new framework for managing the MBS into the future. The aim of the **MBS Quality Framework** is to ensure that all services covered by the MBS are aligned with current clinical evidence; are safe, effective, cost effective and affordable; and result in improved health outcomes for all Australian health care consumers.

In particular, the Framework focuses on four key elements:

- Introducing a time-limited listing for new MBS items that do not undergo an assessment through MSAC.
- Requiring an evaluation process for all time-limited items at the end of the time-limited period and before items can be approved for long-term MBS listing
- Strengthening arrangements for appropriately pricing and listing new MBS services
- Establishing systematic MBS monitoring and review processes to inform appropriate amendment or removal of existing MBS items.

The MBS provides benefits for:

- consultation fees for doctors, including specialists
- tests and examinations by doctors needed to treat illnesses, including X-rays and pathology tests
- eye tests performed by optometrists
- most surgical and other therapeutic procedures performed by doctors
- some surgical procedures performed by approved dentists
- specified items under the Cleft Lip and Palate Scheme
- specified items for allied health services (ie chronic disease management items , better access to GPs, psychologists and psychiatrists through the MBS initiative items, and items for children with pervasive developmental disorders)

The MBS does not cover such things as:

- private patient hospital costs (for example, theatre fees or accommodation)
- dental examinations and treatment (except specified items introduced for allied health services as part of the Enhanced Primary Care (EPC) program)
- ambulance services
- home nursing
- acupuncture (unless part of a doctor's consultation)
- glasses and contact lenses
- hearing aids and other appliances
- the cost of prostheses (except External Breast Prostheses covered by the External Breast Prostheses Reimbursement Program)
- medicines (The PBS is the system that provides subsidies for prescription medication)
- medical and hospital costs incurred overseas
- medical costs for which someone else is responsible (for example a compensation insurer, an employer, a government or government authority)
- medical services which are not clinically necessary
- surgery solely for cosmetic reasons
- examinations for life insurance, superannuation or membership of a friendly society
- eye therapy

For further information please visit the following websites:

Consumers Health Forum of Australia: <http://www.chf.org.au>

Medicare Australia: <http://www.medicare.gov.au/>

Medicare Benefits Schedule online: <http://www.mbsonline.gov.au>

Department of Health and Ageing MBS Quality Framework:

<http://www.health.gov.au/internet/main/publishing.nsf/Content/MBRT-1>