



Medicare Benefits Scheme funded services over time

Web report | Last updated: 08 Jun 2023 | Topic: [Medicare](#) | [Media release](#)

About

This report describes trends in the use of health services covered by the Medicare Benefits Scheme (MBS). It provides data on the usage rates of these services as well as the MBS subsidy rate (that is, the proportion of the cost of these services funded through the MBS, as opposed to via patient contributions and other arrangements such as private health insurance).

This report is a companion to the AIHW's [MBS funded services dashboard](#).

Cat. no: HWE 92

Findings from this report:

- [Australians have been receiving more MBS funded services per person over time](#)
 - [The proportion of fees subsidised through the MBS declined over recent months - after 15 years of relative stability](#)
 - [People in more remote areas tend to use fewer MBS services but have a higher MBS subsidy rate](#)
 - [People in lower socioeconomic areas generally have a higher MBS subsidy rate](#)
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Summary

This report outlines trends in the use of Medicare Benefits Scheme (MBS) funded services over time, including examining the proportion of the fees charged by providers that are subsidised through the MBS as opposed to being paid via patient contributions or other arrangements. Like the [MBS funded services dashboard](#), this report focuses on two key measures (calculated on a monthly and annual basis):

- The number of MBS services per person in the population. Referred to as the *MBS services rate* or *services rate*.
- The proportion of the fees charged by providers that were subsidised through the MBS as opposed to being paid through patient contributions (for example, by out-of-pocket payments or private health insurance). This measure is referred to as the *MBS subsidy rate* or *subsidy rate*.

Australians are using more MBS services than in the past

Between February 1984 (when the MBS was established) and March 2023, there has generally been an increase in the number of MBS services per Australian each year, however the services rate appears to have declined over recent months.

In the calendar year 2022, each person accessed an average of 17.8 MBS funded services. GP visits and pathology services (such as having a blood test) were the most common services used, with each person receiving an average of 6.8 MBS subsidised GP attendances per person over the course of 2022 and accessing an average of 6.4 pathology services per person.

What proportion of fees are subsidised through the MBS?

The proportion of provider fees subsidised by the Australian Government through the MBS (the MBS subsidy rate) has fluctuated over time. In the 15 years prior to the COVID-19 pandemic, it remained relatively stable at around 79% of total provider fees.

In the first years of the pandemic, the rate increased in association with a number of measures, such as an increase in the incentives that encourage GPs not to charge out-of-pocket fees and the rollout of the vaccination program.

In the most recent period, the MBS subsidy rate has reduced rapidly to below levels previously seen. In February 2023, 73% of provider fees were subsidised by the government through the MBS - the lowest proportion since the establishment of the MBS.

A higher proportion of costs are subsidised through the MBS for some services. GPs and pathology services have the highest MBS subsidy rates - averaging 89% and 95% respectively during 2022. Anaesthetics and obstetrics had the lowest subsidy rate, averaging 40% and 39% during 2022.

People in more remote areas use fewer MBS services, but have a higher subsidy rate

In 2022, people in *Major cities* used an average of 18.3 services per person, while people in *Very remote* areas used an average of 8.5 services.

In the same year, people in *Major cities* had 76% of their fees subsidised through the MBS, whereas the subsidy rate was 85% in *Very remote areas*. This remoteness pattern has been consistent between 2001 and 2023.

People in lower socioeconomic areas also generally have a higher subsidy rate. In 2022, the lowest socioeconomic areas had a subsidy rate of 84% of fees, compared with 72% in the highest socioeconomic areas. This pattern has been consistent since 2001.



Introduction

This report is a companion to the AIHW's [MBS funded services dashboard](#) and adds to reporting conducted by the Australian Government Department of Health and Aged Care.

This report focuses on two key measures (calculated on a monthly and annual basis):

- The number of MBS services per person. Referred to as the *MBS services rate* or *services rate*.
- The proportion of the fees charged by providers that were subsidised by the MBS as opposed to being paid through patient contributions (for example, by out-of-pocket payments or private health insurance). This measure is referred to as the *MBS subsidy rate* or *subsidy rate*.

The MBS subsidy rate differs from the 'bulk billing' rate often cited elsewhere. The bulk billing rate generally refers to the proportion of all MBS funded services that were fully subsidised through the MBS (i.e. the proportion of services where there was no patient contribution). The MBS subsidy rate, on the other hand, refers to the proportion of the fees received by providers for MBS funded services that came through the MBS (as opposed to being paid by patient contributions or other arrangements). This assists with developing an understanding of the relative amount of money contributed through the MBS over time as opposed to patient contributions or other sources.



Patterns in MBS services between 1984 and 2023

There has been an increase in the monthly MBS services rate (Figure 1) between February 1984 and March 2023 in Australia, which indicates that Australians are receiving a higher volume of MBS subsidised services over time (from a services rate of 0.6 per person per month in February 1984 to a services rate of 1.5 per person per month in March 2023). However, the services rate appears to have declined over recent months.

The increase could be due to a number of contributing factors, such as changes in scope and coverage of the MBS; addition of new services to the MBS; a changing age structure of the population across time; and changing wealth levels. For example, in 1984 there were approximately 2,300 MBS items available. This has risen to around 6,000 items in 2022.

After declining during the initial decades of the program, the subsidy rate across all MBS services remained relatively stable in the 15 years leading up to the start of the COVID-19 pandemic, with around 79% of provider fees being subsidised through the MBS (Figure 2).

During the early stages of the COVID-19 pandemic, a number of factors drove the MBS subsidy rate up to 84.6% in April 2020, particularly an increase in the 'bulk-billing' incentives for GPs, new telehealth items that were bulk-billed, reductions in certain types of activity that tended to have higher out-of-pocket fees (for example, elective surgery) and the roll-out of the COVID-19 vaccines.

In the most recent period, there has been a rapid decline in the MBS subsidy rate, leading to lower levels than those that have previously been seen - with an historic low of 73% in February 2023 (Figure 2).

There is a monthly seasonal component to the data, with regular decreases occurring in December and January. These decreases are likely due to health practitioners and patients being on leave in January, as well as patients deferring necessary but non-urgent appointments.

Figure 1: Monthly MBS services rate

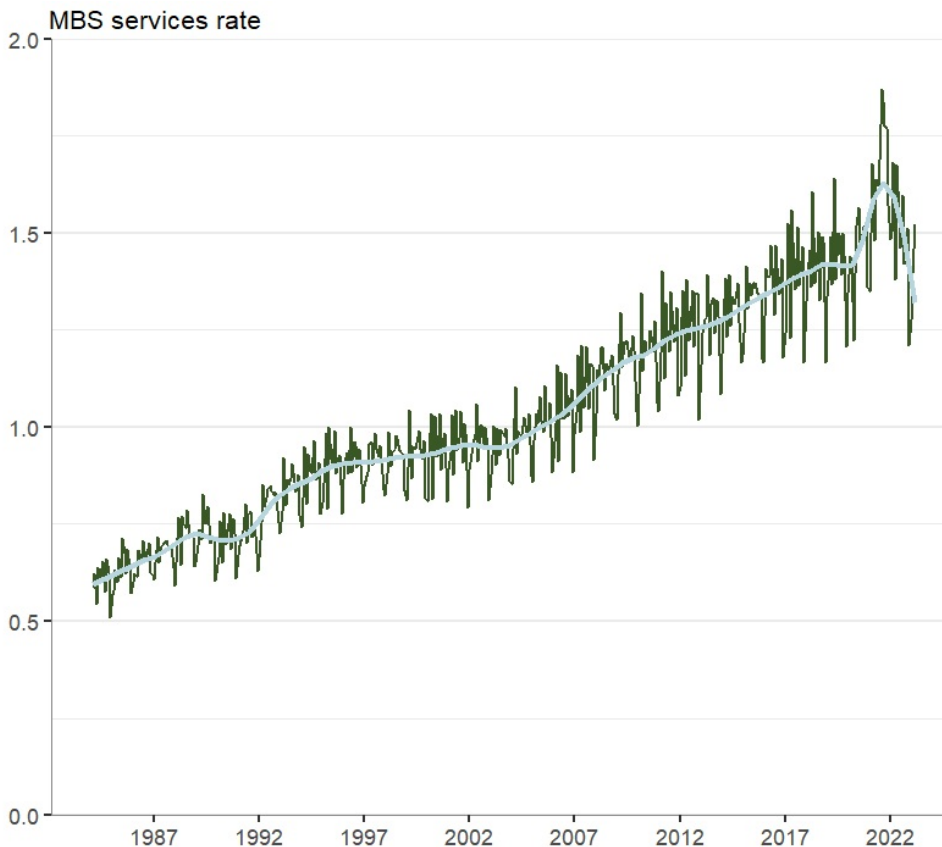


Chart: AIHW. Source: MBS funded services dashboard.

Figure 2: Monthly MBS subsidy rate



Chart: AIHW. Source: MBS funded services dashboard.

Table 1: MBS services rates and MBS subsidy rates during 2022

Description	Category	MBS services rate (N per person)	MBS subsidy rate (%)
Australia	National	17.8	76.4
Remoteness	Major cities	18.3	76.0
Remoteness	Inner regional	18.0	77.6
Remoteness	Outer regional	15.1	78.2
Remoteness	Remote	10.9	78.6
Remoteness	Very remote	8.5	84.9
Socioeconomic area (SEIFA ¹ quintiles)	1	16.9	83.8
SEIFA	2	17.9	81.4
SEIFA	3	18.2	78.8
SEIFA	4	17.6	77.7
SEIFA	5	18.1	72.0
Broad Type of Service (BTOS)			
	GP Attendances	6.8	88.8
	Specialist Attendances	1.3	58.3
	Obstetrics ²	0.1	39.1
	Anaesthetics	0.1	39.5
	Pathology	6.4	94.6
	Diagnostic Imaging	1.1	87.1

BTOS	Operations	0.4	49.0
BTOS	Optometry and Allied Health	1.0	78.1
BTOS	Other	0.5	82.6

1. Based on the Socio-Economic Indexes for Areas (SEIFA) Index of Relative Socio-Economic Disadvantage (IRSD). SEIFA 1 indicates an area of greater disadvantage, SEIFA 5 an area with less disadvantage.
2. MBS services rate denominator is restricted to female Estimated Residential Population (ERP) only.



Patterns in MBS services by service type

Patterns in MBS services between 1984 and 2023 by service type

Broad type of service (BTOS) refers to a grouping of MBS services that relate to certain provider groups or services (see [Technical notes](#) for more detail). GP attendances and pathology MBS services are the BTOS groups with the highest services rates (services rate of 6.8 and 6.4 per person on average respectively in 2022) (Table 1) and both had an increase in the monthly MBS services rate per person over time. An exception to this is that GP attendances saw a decrease in the services rate between 1995 and 2004 (Figure 3) which was associated with declining bulk-billing rates during this time. There was government action in 2004 to address this decline, including introducing the extended Medicare safety net.

GP attendances and pathology also had the highest MBS subsidy rates in 2022 at 88.8% and 94.6%, respectively (Table 1). Anaesthetics (39.5%) and obstetrics (39.1%) MBS services had the lowest MBS subsidy rates in 2022.

Figure 3: Monthly MBS services rates by service type

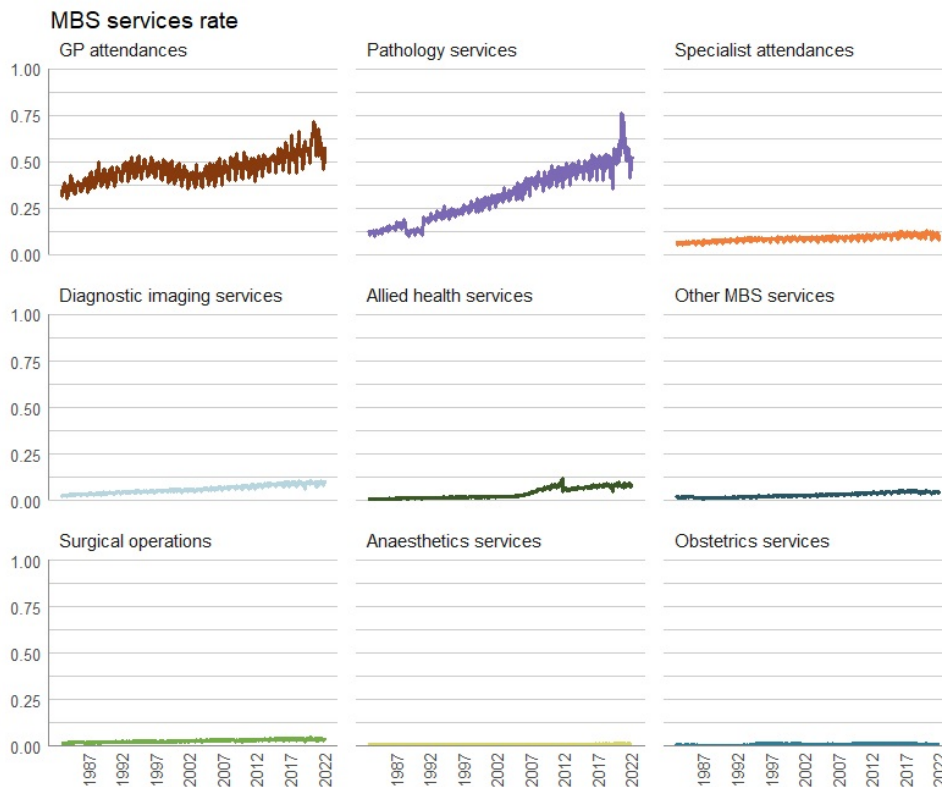


Chart: AIHW. Source: MBS funded services dashboard.

Figure 4: Monthly MBS subsidy rates by service type

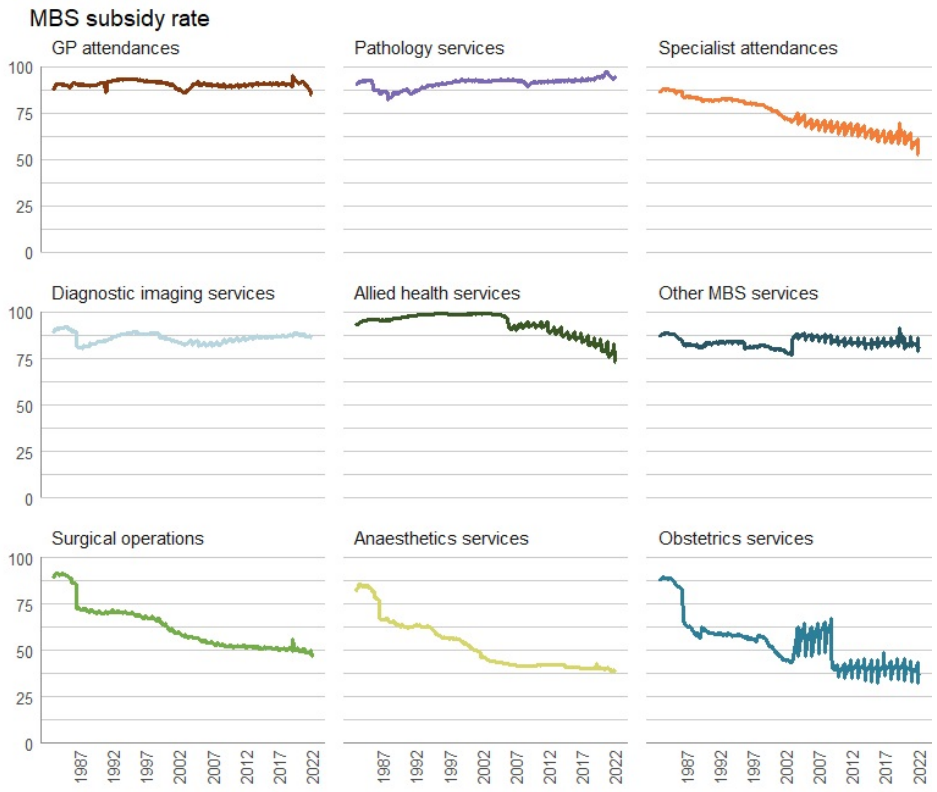


Chart: AIHW. Source: MBS funded services dashboard.

Patterns in MBS services by remoteness

Patterns in MBS services between 2001 and 2023 by remoteness

Major cities and inner regional areas have had the highest monthly MBS services rate per person and this rate has been increasing over time (Figure 5).

Major cities (MBS services rate of 18.3) and Inner regional areas (MBS services rate of 18.0) had the highest MBS services rates during 2022 and Remote areas (MBS services rate of 10.9) and Very remote areas (MBS services rate of 8.5) had the least (Table 1). Very remote (84.9%) and Remote areas (78.6%) had the highest MBS subsidy rates during 2022.

Monthly MBS subsidy rates by remoteness have remained relatively stable over time, with Very remote areas receiving the highest monthly MBS subsidy rates (Figure 6).

Figure 5: Monthly MBS services rates by remoteness

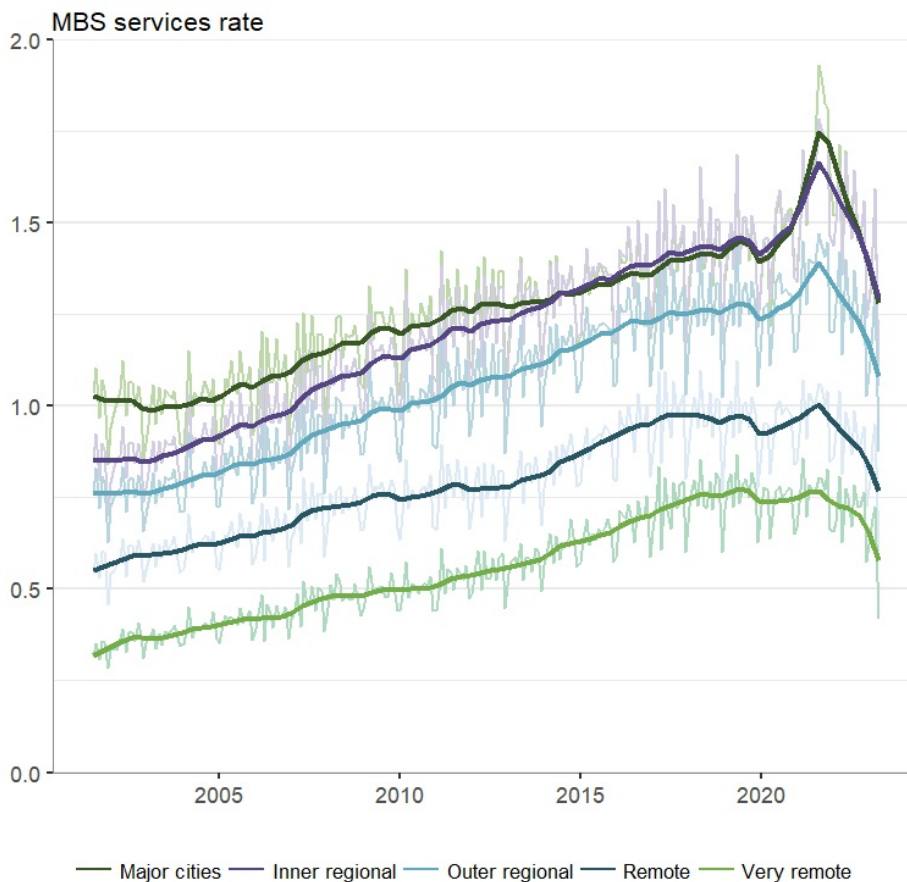


Chart: AIHW. Source: MBS funded services dashboard.

Figure 6: Monthly MBS subsidy rates by remoteness

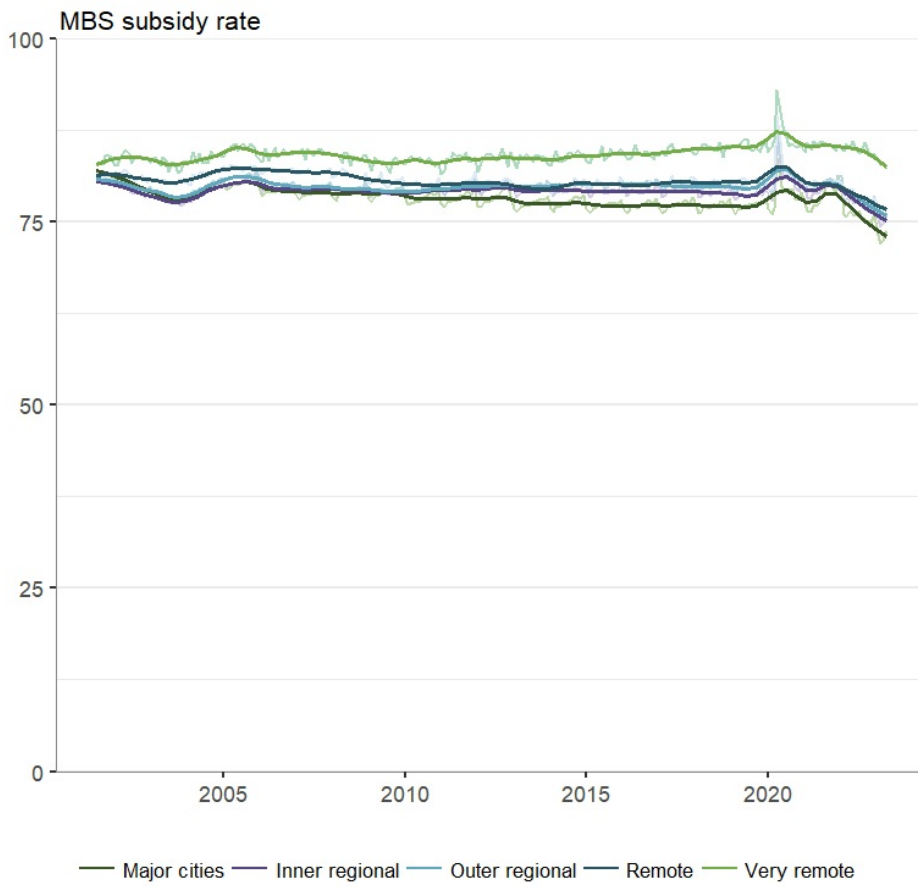


Chart: AIHW. Source: MBS funded services dashboard.

Patterns in MBS services by socioeconomic area

Patterns in MBS services between 2001 and 2023 by socioeconomic area

The general trend across all socioeconomic areas has been toward higher MBS service rates (based on IRSD SEIFA) between 2001 and 2023 (Figure 7), with lower socioeconomic areas receiving higher monthly MBS subsidy rates compared with higher socioeconomic areas (Figure 8).

The lowest socioeconomic areas had the lowest MBS services rates (SEIFA 1 had an MBS services rate of 16.9, Table 1) but the highest MBS subsidy rates (SEIFA 1 had a rate of 83.8% compared to SEIFA 5 with a rate of 72.0%) during 2022.

Figure 7: Monthly MBS services rates by SEIFA

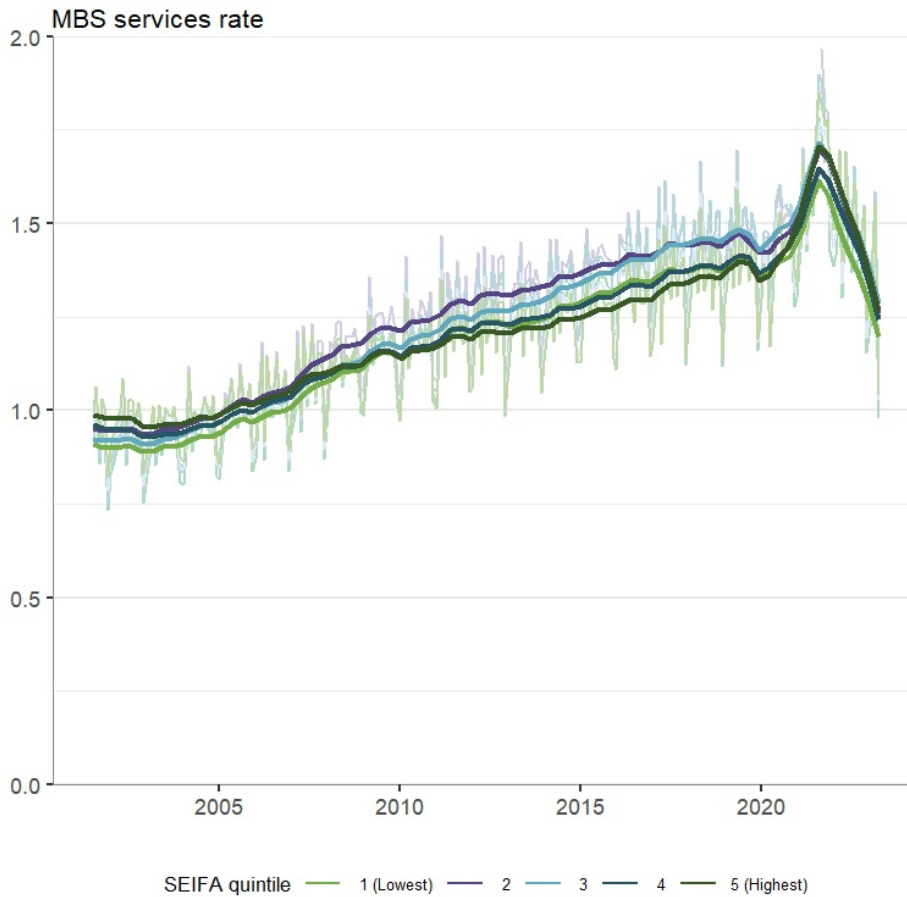


Chart: AIHW. Source: MBS funded services dashboard.

Figure 8: Monthly MBS subsidy rates by SEIFA

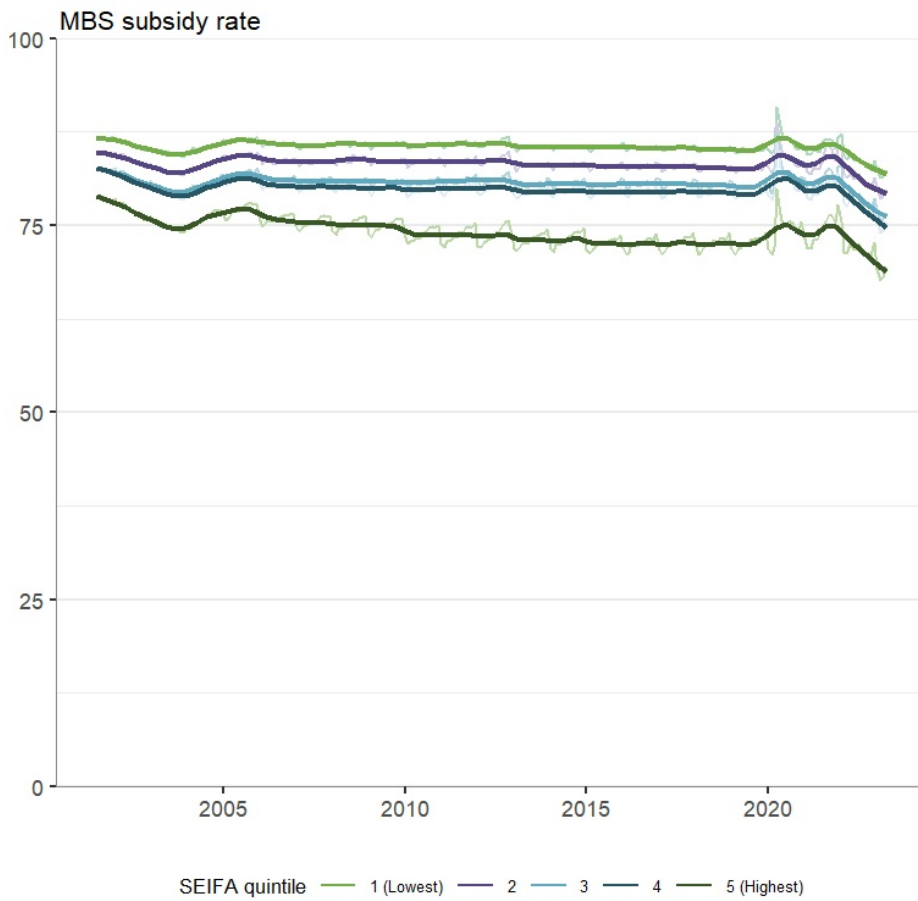


Chart: AIHW. Source: MBS funded services dashboard.



Technical notes

Statistics in this report were extracted by the AIHW from the MBS claim records data in the Australian Government Department of Health and Aged Care's Enterprise Data Warehouse. Population statistics were sourced from the Australian Bureau of Statistics Estimated Resident Population (ERP) statistics as at 30 June.

- [MBS funded services dashboard](#)
 - [Broad Type of Service](#)
 - [Populations](#)
 - [Socio-Economic Indexes for Areas \(SEIFA\)](#)
 - [Measures used in the report](#)
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Technical notes

Some of the statistics in this report are based on information contained in the MBS funded services dashboard. For more detail, refer to [MBS funded services dashboard technical information](#).

The data used in this report were extracted by the AIHW from the MBS claim records data in the Australian Government Department of Health and Aged Care's Enterprise Data Warehouse on 5 May 2023. The data presented in this report relate to services provided between February 1984 to March 2023.

Technical notes

MBS services are reported using the Broad Type of Service (BTOS) classification, whereby each MBS item is allocated to a BTOS category. The BTOS categories broadly correlate to different provider groups or services. Some smaller categories are combined with larger categories for reporting purposes. The BTOS groups presented in this report (along with examples of services) are:

- general practitioner (GP) attendances (combined with practice nurse services on behalf of a GP) include:
 - standard GP attendances
 - urgent and after-hours GP attendances
 - GP treatment plans and GP mental health treatment plans
 - health assessments
 - services rendered by a practice nurse or an Aboriginal and Torres Strait Islander health practitioner on behalf of a GP
- specialist attendances include:
 - specialist and consultant physician attendances
 - consultant psychiatrist attendances
 - pre anaesthesia consultations
- obstetrics services include:
 - planning and management of a pregnancy
 - antenatal and postnatal attendances
 - management of labour and birth
 - caesarean sections and other obstetric procedures
- anaesthetics services include:
 - administration and management of a patient under anaesthesia
 - regional or field nerve blocks
- pathology services include:
 - standard pathology testing including chemical pathology and haematology
 - detection of bacteria or viruses (including COVID-19)
 - analysis of specimens to detect malignancy
 - genetic testing
 - collection and management of specimens
- diagnostic imaging services include:
 - x-ray imaging
 - ultrasound
 - computed tomography (CT)
 - magnetic resonance imaging (MRI)
 - nuclear medicine imaging, including positron emission tomography (PET)
- surgical operations (combined with assistance at operations) include:
 - all surgical operations; common operations include cataract surgery, endoscopies, removal of tumours or skin lesions, and knee and hip replacements
 - assistance at operations
- allied health services (combined with optometry) include:
 - optometry
 - services provided by relevant groups (for example clinical psychology, physiotherapy and other allied health professions), under team care arrangements, or under a shared care plan, or under both a GP management plan and team care arrangements, in managing a person's chronic condition and complex care needs
- other MBS services (combined with radiation therapy) include:
 - radiation oncology and therapeutic nuclear medicine
 - diagnostic procedures and investigations (for example electrocardiograms, audiograms, bone densitometry testing and sleep apnoea testing)
 - miscellaneous therapeutic procedures, including assisted reproductive services
 - bulk billing incentives for unreferral services other than diagnostic imaging (included with diagnostic imaging) and pathology (included with pathology).



Technical notes

Population statistics are sourced from the [Australian Bureau of Statistics \(ABS\) Estimated Resident Population \(ERP\) statistics](#) as at 30 June. ERP statistics by remoteness and SEIFA (via mapping to Local Government Area) are available from 2001. When calculating MBS services rates, the denominator is the total ERP of an area as at the previous 30 June.

- For any month of the first half of a calendar year, the ERP is as at 30 June of the previous year.
- For any month of the second half of the year, the ERP is as at 30 June of the current year.

The most current ERP is used when the relevant ERP has not been released. Note that for the broad service group of obstetrics, the denominator is restricted to the Australian female ERP population.





Technical notes

SEIFA indices in this report are based on the ABS Index of Relative Socio-economic Disadvantage (IRSD). The IRSD summarises information about relative economic and social circumstances of people and households within an area. IRSD only measures relative disadvantage and is summarised as quintiles (1-5) in this report. A low IRSD score indicates an area of greater disadvantage, while a higher score an area with less disadvantage.





Technical notes

The measures used in this report are calculated on a monthly or yearly basis. Monthly statistics are influenced by the number of working days from month to month. The MBS services rate for a given time interval (monthly, annually) is defined as:

Number of MBS services in the time interval / Relevant estimated residential population (ERP) applicable for the time interval.

The denominator is based on the estimated resident population in Australia as at the previous 30 June and does not account for the changing age structure of the population across time or other confounding factors. Note that for the broad service group of obstetrics, the denominator is restricted to the Australian female ERP population.

The benefit paid is the total amount of MBS benefit paid for services performed by a MBS service provider. The fee charged is the total amount charged as contained on accounts submitted by the practitioner to claim payment for the service provided. The percentage of funding of MBS services by the government for a given time interval is defined as:

$(\text{Sum of benefits paid in the time interval} / \text{Sum of fees charged in the time interval}) \times 100\%$.

Statistics in this report use date of service to reflect the period in which a service was provided. It is possible for service volumes to change between releases of statistics due to the late lodgement of claims and adjustments to claims. The last 3 months of statistics are considered to be preliminary as they are incomplete and subject to revision due to claims for MBS benefits still being submitted to Services Australia for processing and payment.

Graphs of monthly data have a smoothing curve applied to better display the underlying pattern over time.





Data





Related material

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