



Triple the bulk billing incentive	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would expand eligibility for the Bulk Billing Incentive (BBI) to all Medicare card holders, and increase Medicare patient rebates by 20% for longer general practice attendance items.</p> <p>The proposal would be ongoing and start on 1 November 2025.</p>	
<p>Additional information (based on further advice provided):</p> <p>The 20% increase to the Medicare patient rebates would apply to all general attendance items for general practitioners Level C and Level D as specified in Note AN.0.74 Medicare Benefits Schedule (health.gov.au).</p>	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$2.0 billion over the 2025-26 Budget forward estimates period (see Table 1). This reflects an increase in both administrative and departmental expenses. The difference between the fiscal and underlying cash balances represents the time lag between when services are delivered, and rebates are paid.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

In the 2025-26 Budget, a measure called *Strengthening Medicare*¹ contained a component to expand the eligibility for the Bulk Billing Incentive (BBI) to all Australians and introduce the new Bulk Billing Practice Incentive Program for general practices. Component 1 of this costing is the same as the component to expand eligibility for the BBI to all Australians. Therefore, as it is already included in the budget baseline, it has a nil impact in this costing.

Table 1: Triple the bulk billing incentive – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-350.0	-536.8	-554.1	-574.3	-2,015.2
Underlying cash balance	-332.9	-535.7	-553.9	-573.2	-1,995.7

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

¹ Budget 2025-26 measure: *Strengthening Medicare*: The Government will provide additional funding of \$8.4 billion over 5 years from 2024–25 (and \$2.5 billion per year ongoing) to increase access to bulk billing, [Budget 2025-26 - Budget Paper No. 2](#), page 53.

Uncertainties

The financial implications of the proposal are uncertain and sensitive to assumptions around forecast Medicare Benefits Schedule (MBS) service volumes and medical practitioners' billing behaviour under the proposal.

Practitioner billing is highly unpredictable and could be influenced by a range of financial and non-financial factors other than the proposed policy changes, including practice-specific factors and patient demographics.

This costing reflects a relatively small (2.6%) increase in the number of practices expected to join the Bulk Billing Practice Incentive Program. As a result, the estimated financial impact of this proposal is mainly from increased rebates for services, rather than the cost associated with subsequent changes in billing behaviour. However, this behavioural response is particularly uncertain, and while behaviour dependant costs form a relatively small proportion of the total financial impact in this costing, around 17% over the medium term, there is a potentially significant upwards risk if more practices join onto the Bulk Billing Practice Incentive Program than expected in this costing.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The service volume of eligible MBS services would grow in line with the Australian population, with growth projections provided by the Treasury as at the 2025-26 Budget.
- The composition of relevant MBS items would remain stable over the costing period, consistent with the pattern observed in 2023-24.
- The bulk billing incentive benefit and all other MBS rebates would grow in line with Wage Cost Index (WCI) 5 over the costing period consistent with the current indexation arrangements.
- Billing behaviours and relative differences between MBS benefits and patient fees would be similar to 2023-24.
- For the change in bulk billing at the item level, practitioners are assumed to start bulk billing a patient charged service once the remuneration from bulk billing (with the incentive under the policy) is within \$10 of the average service 'gap fee'. This would grow linearly to 100% where bulk billing remuneration is \$5 over the average service gap (this is, where practitioners would on average make \$5 more by bulk billing than their existing patient charge).
- The proportion of every clinic's level C and D services would be consistent with the total proportion of level C and D services across all GP non-referred attendances in 2023-24.
- Clinics are assumed to join the Bulk Billing Practice Incentive Program if their expected additional revenue from the practice incentive payment and the additional BBI received from bulk billing all patients, would be greater than revenue received from patient contributions.

Methodology

This costing uses 2 separate models to estimate the different financial impacts of bulk billing behaviour.

- Firstly, a model based on item level MBS data split by Primary Health Network (PHN) and Modified Monash Model (MMM) was used to estimate the increased rebate for existing services and the change in bulk billing behaviour for individual MBS items in response to the 20% increase to level C and D items.
- Secondly, a model provided by the Department of Health and Aged Care at the individual clinic level was used to estimate additional take up for the Bulk Billing Practice Incentive Program after the 20% increase to level C and D items is factored in, and then to estimate subsequent additional bulk billing.

The MBS liability factor was then applied to administered expenses to determine the difference between the fiscal and underlying cash balances.

Ongoing departmental expenses for administering the program were calculated by multiplying the estimated increase in bulk billed services by the estimated unit cost for administering the affected service items provided by Services Australia.

Financial implications were rounded consistent with the PBO's rounding rules.²

Data sources

Commonwealth of Australia (2025) *2025-26 Budget*, Commonwealth of Australia.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Services Australia provided the Services Australia Funding Model as at the 2025-26 Budget.

The Department of Health and Aged Care provided MBS data for general practice visits split by PHN and MMM for the 2023-24 financial year.

The Department of Health and Aged Care provided the costings model used for the 2025-26 Budget measure *Strengthening Medicare*, including the model for the new Billing Practice Incentive Program.

The Department of Health and Aged Care provided the MBS liability factor as at 2025-26 Budget.

² <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Triple the bulk billing incentive – Financial implications

Table A1: Triple the bulk billing incentive – Fiscal balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Administered													
<i>Rebate on existing services</i>	-290.0	-445.0	-459.0	-476.0	-493.0	-510.0	-528.0	-547.0	-566.0	-586.0	-607.0	-1,670.0	-5,507.0
<i>BBI on new bulk billed services</i>	-4.5	-6.9	-7.2	-7.4	-7.7	-8.0	-8.2	-8.5	-8.8	-9.1	-9.5	-26.0	-85.8
<i>Practice incentive payment</i>	-43.7	-66.9	-69.2	-71.6	-74.2	-76.8	-79.5	-82.4	-85.2	-88.2	-91.3	-251.4	-829.0
<i>BBI on new practice incentive payment program services</i>	-11.2	-17.2	-17.8	-18.4	-19.0	-19.7	-20.4	-21.1	-21.9	-22.7	-23.4	-64.6	-212.8
Total – administered	-349.4	-536.0	-553.2	-573.4	-593.9	-614.5	-636.1	-659.0	-681.9	-706.0	-731.2	-2,012.0	-6,634.6
Departmental													
<i>Services Australia</i>	-0.6	-0.8	-0.9	-0.9	-0.9	-0.9	-1.0	-1.0	-1.0	-1.0	-1.1	-3.2	-10.1
Total – departmental	-0.6	-0.8	-0.9	-0.9	-0.9	-0.9	-1.0	-1.0	-1.0	-1.0	-1.1	-3.2	-10.1
Total – expenses	-350.0	-536.8	-554.1	-574.3	-594.8	-615.4	-637.1	-660.0	-682.9	-707.0	-732.3	-2,015.2	-6,644.7
Total (excluding PDI)	-350.0	-536.8	-554.1	-574.3	-594.8	-615.4	-637.1	-660.0	-682.9	-707.0	-732.3	-2,015.2	-6,644.7

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

Table A2: Triple the bulk billing incentive – Underlying cash balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Payments													
Administered													
<i>Rebate on existing services</i>	-276.0	-444.0	-459.0	-475.0	-492.0	-510.0	-528.0	-546.0	-566.0	-585.0	-606.0	-1,654.0	-5,487.0
<i>BBI on new bulk billed services</i>	-4.3	-6.9	-7.2	-7.4	-7.7	-7.9	-8.2	-8.5	-8.8	-9.1	-9.4	-25.8	-85.4
<i>Practice incentive payment</i>	-41.5	-66.8	-69.1	-71.5	-74.1	-76.7	-79.4	-82.3	-85.1	-88.1	-91.2	-248.9	-825.8
<i>BBI on new practice incentive payment program services</i>	-10.6	-17.2	-17.7	-18.4	-19.0	-19.7	-20.4	-21.1	-21.9	-22.6	-23.4	-63.9	-212.0
Total – administered	-332.4	-534.9	-553.0	-572.3	-592.8	-614.3	-636.0	-657.9	-681.8	-704.8	-730.0	-1,992.6	-6,610.2
Departmental													
<i>Services Australia</i>	-0.5	-0.8	-0.9	-0.9	-0.9	-0.9	-1.0	-1.0	-1.0	-1.0	-1.1	-3.1	-10.0
Total – departmental	-0.5	-0.8	-0.9	-0.9	-0.9	-0.9	-1.0	-1.0	-1.0	-1.0	-1.1	-3.1	-10.0
Total – payments	-332.9	-535.7	-553.9	-573.2	-593.7	-615.2	-637.0	-658.9	-682.8	-705.8	-731.1	-1,995.7	-6,620.2
Total (excluding PDI)	-332.9	-535.7	-553.9	-573.2	-593.7	-615.2	-637.0	-658.9	-682.8	-705.8	-731.1	-1,995.7	-6,620.2

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A3: Triple the bulk billing incentive – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<i>Fiscal balance</i>	-7.0	-27.0	-52.0	-79.0	-109.0	-141.0	-175.0	-212.0	-252.0	-295.0	-342.0	-165.0	-1,691.0
<i>Underlying cash balance</i>	-6.0	-22.0	-46.0	-73.0	-102.0	-133.0	-167.0	-203.0	-242.0	-284.0	-330.0	-147.0	-1,608.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary³.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

³ [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au)