

ECR-2025-3272

| Adding ADHD and Autism Assessments to Medicare | | | | | | | | | |
|--|-------------------|--|--|--|--|--|--|--|--|
| Party: | Australian Greens | | | | | | | | |
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Summary of proposal:

The proposal would add attention deficit hyperactivity disorder (ADHD) and autism spectrum disorder (ASD) assessments to the Medicare Benefits Schedule (MBS). The new item could be billed by a paediatrician, psychiatrist, psychologist, nurse practitioner or general practitioner.

The proposal would be ongoing and start on 1 July 2026.

Additional information (based on further advice provided):

Benefits for the new item would be equal to 100% of schedule fees.

All ages, including people over the age of 25, would be eligible to claim the item.

Costing overview

The proposal would be expected to decrease the fiscal balance by \$269.9 million and the underlying cash balance by \$267.0 million over the 2025-26 Budget forward estimates period (see Table 1). This impact represents an increase in administered costs from expanding MBS items to cover 100% of the schedule fees for ADHD and ASD assessments and extending the eligibility to people over the age of 25. The underlying cash balance impacts differ slightly from the fiscal impacts due to lags between when expenses are incurred and when they 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.

Table 1: Adding ADHD and Autism Assessments to Medicare – Financial implications (\$m)(a)(b)

| | 2025-26 | 2026-27 | 2027-28 | 2028-29 | Total to 2028-29 |
|-------------------------|---------|---------|---------|---------|------------------|
| Fiscal balance | - | -92.6 | -89.8 | -87.5 | -269.9 |
| Underlying cash balance | - | -89.6 | -89.9 | -87.5 | -267.0 |

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

Uncertainties

The financial impacts of this proposal are highly uncertain and sensitive to a range of assumptions, including the projections of service volumes of the affected MBS items over the costing period, and the number of ADHD and ASD assessments that would be made each year. There are further inherent uncertainties around individuals' behavioural responses to the addition of the new MBS item. While no behavioural response has been included in the costing, it is possible the proposal may result in an increase in assessments, which would increase the magnitude of the financial impacts.

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

Indicates nil.

The Parliamentary Budget Office (PBO) notes that while increasing the MBS benefit paid to 100% of schedule fees would reduce patients' out-of-pocket costs, this would not guarantee free services for those MBS items as medical practitioners are able to set their own fees, which may reflect a broad range of factors.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The total Australian ASD population would grow by 9% annually across the forward estimates period, consistent with historical Australian Bureau of Statistics (ABS) data from 2018 to 2022.
 - In the medium term it would grow in line with the percentage increase observed in the NDIS
 ASD population, which would gradually decrease over time in line with historical data.
- The total ADHD population would be equal to approximately 5% of the Australian population, based on the estimated prevalence of ADHD in children.¹
 - Over half of people with ADHD in Australia are undiagnosed.
 - The percentage of people being treated with ADHD medication is used as a proxy to estimate the percentage of each age group who are diagnosed with ADHD, with a small uplift to account for those with a diagnosis who are not on medication. People over 25 years old are more likely to be undiagnosed than people who are 25 years and under.

Component 1 – Increase MBS benefit to 100% of the schedule fee for people 25 years old and under

- ASD assessments can be identified through MBS items 135, 289, and 92434 as advised by the
 Department of Health and Aged Care. These MBS items can also be used to assess other
 neurodevelopmental disorders. Only people 25 years and under can claim these MBS items.
 - The PBO has assumed that the current service volumes of these items would reflect the service volume required to assess ASD.
- The services growth for ASD would be approximately 10%, consistent with the relevant MBS items historical growth between 2019-20 to 2023-24.
 - There would be no increase in service volume due to a behavioural response.
- The service volume of ADHD assessments would be around 3 times higher than that of ASD, based on publicly available data on the current respective populations.
- The unit cost of the proposal (that is, the difference between current benefits paid and fees charged) for ADHD would be consistent with the unit cost of the identified ASD MBS items in 2022-23.
 - Currently, ADHD assessments are not separately identifiable in MBS items. Assessment of ADHD is captured under General Practitioner Mental Health MBS items.

¹ 5% is based on a recent study on ADHD prevalence and stimulant use. It is unclear if prevalence of ADHD changes with age, or if it is under-recognised in adults, however, the prevalence in adults is estimated to be 3-5%.

Component 2 – Make people over 25 eligible to claim the MBS item

- The fee paid for by the government would equal the current total schedule fee of items 289 and 92434, grown by Wage Cost Index 5 (WCI5).
 - Item 135 is for paediatricians, so would not be used by people over the age of 25.
- For ADHD and ASD, less than 10% of people over 25 years old would get an assessment each year.
 - This is primarily due to people over 25 years old with ADHD or ASD having already received a diagnosis.
 - For ADHD, this number is based on the average growth in ADHD prescriptions for adults per the Royal Australian College of General Practitioners.
 - For ASD, the percentage assessed each year is based on the average yearly growth in ASD diagnoses from 2018 to 2022 per <u>ABS data</u>.
- On average, it would take 2 sessions for a person to receive an assessment for ASD and ADHD.
 - The PBO notes that it may take more or fewer than 2 sessions for a person to be assessed for ADHD or ASD.

Methodology

Component 1 – Increase MBS benefit to 100% of the schedule fee for people 25 years old and under

Publicly available data on the current ADHD and ASD populations within Australia were used alongside data provided by the Department of Health and Aged Care to calculate the assessment costs of the new MBS items.

- The unit cost per service was determined by calculating the difference between current benefits paid and fees charged for the ASD MBS items, then dividing by the service volumes over the period from 2019-20 to 2022-23, with indexation as per *Key Assumptions* above.
- The unit cost was then multiplied by the number of ASD and ADHD services expected to be provided, as per *Key Assumptions* above, to derive the administered expense for this component.

Component 2 – Make people over 25 eligible to claim the MBS item

Similar to Component 1, publicly available data on the current ADHD and ASD populations within Australia were used alongside data provided by the Department of Health and Aged Care to calculate the assessment costs associated with the new MBS item.

- Unlike Component 1, the unit cost per service is equal to the total schedule fee for items 289 and 92434.
- The unit cost was multiplied by the estimated number of ASD and ADHD assessments over the age of 25, to derive the administered expense for this component.
 - The undiagnosed population and the number of people who would be assessed each year was estimated per Key assumptions.

Departmental costs were calculated by multiplying the unit price for administering MBS items by the number of new services provided. Additionally, there would be a departmental cost of 0.1 ASL each year over the forward estimates for the ongoing review of the new MBS item, informed by advice

from the Department of Health and Aged Care. The cost of the 0.1 ASL over 4 years was calculated using the PBO's departmental cost calculator.

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

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

Data sources

ADHD Foundation (2023) ADHD Foundation & Community in Australia, accessed 20 May 2025.

Australian Bureau of Statistics (2018) *Disability, Ageing and Carers, Australia: Summary of Findings,* accessed 20 May 2025.

Australian Bureau of Statistics (2024) <u>Disability, Ageing and Carers, Australia: Summary of Findings</u>, accessed 20 May 2025.

Barraclough, A. (2022) <u>ADHD diagnosis wait times are being blown out by the pandemic, experts say,</u> ABC News, accessed 20 May 2025.

Coghill, D. and Sciberras, E. (2022) <u>ADHD medications have doubled in the last decade – but other</u> <u>treatments can help too</u>, The Conversation, accessed 20 May 2025.

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

The Department of Health and Aged Care provided the data on MBS item service amounts fees, and benefits, in addition to the MBS costing template as at 20 May 2025.

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

The National Disability Insurance Agency (NDIA) provided actuals and projections for the number of NDIS participants split by age bracket from 2021-22 to 2027-28 as at Budget 2025-26.

Parliament of Australia (2023) <u>Executive Summary – Senate Committee on ADHD</u>, accessed 20 May 2025.

Royal Australian College of General Practitioners (2018) <u>Australians with ADHD may be missing out on diagnosis and treatment</u>, accessed 20 May 2025.

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

Attachment A – Adding ADHD and Autism Assessments to Medicare – Financial implications

Table A1: Adding ADHD and Autism Assessments to Medicare – 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 | | | | | | | | | | | | | |
| ASD Assessments | - | -29.3 | -27.6 | -26.1 | -24.8 | -23.8 | -23.2 | -23.2 | -23.4 | -23.8 | -24.3 | -83.0 | -249.5 |
| ADHD Assessments | - | -63.2 | -62.1 | -61.3 | -60.8 | -60.6 | -60.6 | -61.0 | -61.6 | -62.6 | -63.9 | -186.6 | -617.7 |
| Departmental | | | | | | | | | | | | | |
| Department of Health and Aged Care | - | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | | | | | | -0.3 | -0.5 |
| Total – expenses | - | -92.6 | -89.8 | -87.5 | -85.7 | -84.5 | -83.8 | -84.2 | -85.0 | -86.4 | -88.2 | -269.9 | -867.7 |
| Total (excluding PDI) | - | -92.6 | -89.8 | -87.5 | -85.7 | -84.5 | -83.8 | -84.2 | -85.0 | -86.4 | -88.2 | -269.9 | -867.7 |

⁽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.

^{..} Not zero but rounded to zero.

⁻ Indicates nil.

Table A2: Adding ADHD and Autism Assessments to Medicare – 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 | | | | | | | | | | | | | |
| ASD Assessments | - | -28.4 | -27.7 | -26.1 | -24.8 | -23.9 | -23.2 | -23.2 | -23.4 | -23.8 | -24.3 | -82.2 | -248.8 |
| ADHD Assessments | - | -61.1 | -62.1 | -61.3 | -60.8 | -60.6 | -60.6 | -60.9 | -61.6 | -62.5 | -63.8 | -184.5 | -615.3 |
| Departmental | | | | | | | | | | | | | |
| Department of Health and Aged Care | - | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | | | | | | -0.3 | -0.5 |
| Total – payments | - | -89.6 | -89.9 | -87.5 | -85.7 | -84.6 | -83.8 | -84.1 | -85.0 | -86.3 | -88.1 | -267.0 | -864.6 |
| Total (excluding PDI) | - | -89.6 | -89.9 | -87.5 | -85.7 | -84.6 | -83.8 | -84.1 | -85.0 | -86.3 | -88.1 | -267.0 | -864.6 |

⁽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: Adding ADHD and Autism Assessments to Medicare – 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 |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------------|------------------|
| Fiscal balance | - | -2.0 | -6.0 | -10.2 | -14.5 | -19.0 | -23.6 | -28.4 | -33.6 | -39.0 | -44.7 | -18.2 | -221.0 |
| Underlying cash balance | - | -1.5 | -5.0 | -9.2 | -13.5 | -17.9 | -22.4 | -27.2 | -32.3 | -37.6 | -43.3 | -15.7 | -209.9 |

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.

^{..} Not zero but rounded to zero.

Indicates nil.

⁽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.

Indicates nil.

³ Online budget glossary – Parliamentary Budget Office (pbo.gov.au)