



Expand mental healthcare under Medicare	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would provide universal mental health care to Medicare card holders by expanding the list to more mental health professionals, removing session limits and increasing rebates.</p> <p>The proposal would be ongoing and start on 1 July 2025.</p>	
<p>Additional information (based on further advice provided):</p> <p>The arrangements under the proposal would involve the following:</p> <p>Component 1: This would provide all Medicare card holders with access to unlimited clinically relevant sessions under the <i>Better Access Initiative</i>. Patients would only need an initial referral or assessment to be eligible for the scheme and would not require any subsequent ones regardless of how many sessions they use.</p> <p>Component 2: To access the <i>Better Access Initiative</i>, people would not need a referral from a General Practitioner (GP). They would be eligible for the scheme on the assessment of other mental health professionals.</p> <p>Component 3: The 2-tier approach which currently has a different rebate for a clinical psychologist from other registered psychologists would be removed and all psychologists would be eligible for the higher rebate. The rebate for both would be lifted to a minimum of \$150 per session. Where the rate is already set above \$150 per session it would continue to be indexed to Wage Cost Index 5 (WCI-5) from the current level.</p> <p>Component 4: The <i>Better Access Initiative</i> to be expanded beyond existing clinical psychologists and psychiatrists so that it also includes subsidised access to provisional psychologists under Medicare. Provisional psychologists would be able to access 80% of the rebate rate of clinical psychologists.</p>	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$1.8 billion over the 2025-26 Budget forward estimates period (see Table 1). This reflects an increase in both administered 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.

Table 1: Expand mental healthcare under Medicare – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-464.2	-421.3	-442.8	-466.5	-1,794.8
Underlying cash balance	-449.8	-421.3	-441.8	-465.5	-1,778.4

(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.

Uncertainties

The financial implications of Components 1, 3 and 4 are highly uncertain and sensitive to a range of assumptions, including projections of service volumes of the affected Medicare Benefits Schedule (MBS) items over the costing period, and the supply and demand of the *Better Access* treatment services.

There are further inherent uncertainties around the magnitude of individuals' behavioural response to the *Better Access* treatment services associated with Component 4 including:

- The volume of services provided by provisional psychologists, as availability of psychologists to supervise provisional psychologists is likely to be a limiting factor. Any consideration of provisional psychologists' eligibility to deliver-MBS subsidised services would require an assessment of how to maintain the Psychology Board of Australia supervision requirements.
- Potential budget offsets due to services that are currently being delivered by eligible professions under *Better Access* shifting to provisional psychologists under the proposal, which are highly uncertain and would depend on the supply and demand dynamics of the relevant mental health services.

Key assumptions

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

- Benefit rates for relevant MBS items would grow in line with WCI-5, consistent with current indexation arrangements.
- The growth in the number of patients would be consistent with the projected population growth across the medium term.
- Utilisation of services would be consistent with historical averages and service usage types:
 - Around 26% of patients would use more than 6 sessions per year and therefore would no longer require an additional referral to access more than 6 sessions.
 - Around 11% of patients would use 14 services per year on average.
 - This is based on *Better Access* data between 2020 and 2022, when the 10-sessions cap was lifted to 20 sessions a year in response to the COVID-19 pandemic.
 - Around 0.6% of patients use 24 services per year on average.
 - The proportion of patients accessing more than 20 sessions is based on a survey of patients, where 38% indicated they received too few sessions.
- Half of referrals and assessments would be prescribed by general practitioners and the other half by medical practitioners.

Additional assumptions for Component 4

- Around 58% of the eligible provisional psychologists would opt-in to provide the relevant MBS services, consistent with the historical proportion of psychologists who deliver MBS-subsidised individual treatment services under *Better Access*.
- Provisional psychologists would each provide 177 services a year on average, based on historical service volumes for social workers.
- The number of newly eligible provisional psychologists would grow by around 7% per annum, in line with the historical growth patterns observed for psychologists who delivered an MBS-subsidised individual treatment service.
- Budget offsets associated with *Better Access* due to service delivery shifting from currently eligible professions to provisional psychologists would be insignificant. This is informed by advice from the Department of Health and Aged Care regarding the current demand-supply dynamic related to mental health services in Australia.
 - It is anticipated that the eligible professions would continue to deliver the same service volumes due to the current high demand for mental health services.

Methodology

The administered expenses under all components are the additional benefits required under the proposal, driven by the expected additional service volumes and/or the higher MBS rebates.

- For Component 1, the number of patients expected to use over 10 and over 20 services per year was estimated as per *Key assumptions*. The additional services were then multiplied by the relevant MBS rebates.
- For Component 2, there would be nil direct financial impact as:
 - the policy would allow the newly eligible mental health professionals to access the same level of MBS rebates currently available to GPs prescribing GP Mental Health Treatment Plans
 - any related implementation costs would be met by existing resourcing.
- For Component 3, the service volumes were multiplied by the increase in the MBS rebates. It also captures the financial impact from the interaction with Component 1.
- For Component 4, the additional service volume expected to be delivered was estimated using historical data as per *Key assumptions*. Service volumes were then multiplied by the relevant rebate specified in Component 3. It also captures the interaction with Components 1 and 3.

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

Departmental costs were estimated by multiplying the number of new services to be delivered by the average unit price for MBS administration provided by Services Australia. A one-off establishment cost of \$50 million was also included.

Financial implications were rounded consistent with the PBO's rounding rules.¹

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Data sources

Australian Health Practitioner Regulation Agency (2024) [Registrant data](#), Psychology Board of Australia.

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

The Department of Health and Aged Care provided historical service volumes data and benefits paid for the period 2018-19 to 2023-24 for all *Better Access* MBS items.

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

Attachment A – Expand mental healthcare under Medicare – Financial implications

Table A1: Expand mental healthcare under 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													
<i>Component 1: Unlimited sessions</i>	-70.0	-70.1	-72.5	-75.1	-77.8	-80.6	-83.5	-86.4	-89.4	-92.6	-95.8	-287.7	-893.8
<i>Component 3: Increased rebate</i>	-222.0	-222.0	-229.0	-237.0	-245.0	-253.0	-262.0	-270.0	-279.0	-289.0	-298.0	-910.0	-2,806.0
<i>Component 4: Provisional psychologists</i>	-121.0	-128.0	-140.0	-153.0	-167.0	-182.0	-199.0	-218.0	-238.0	-260.0	-284.0	-542.0	-2,090.0
Total – administered	-413.0	-420.1	-441.5	-465.1	-489.8	-515.6	-544.5	-574.4	-606.4	-641.6	-677.8	-1,739.7	-5,789.8
Total – departmental	-51.2	-1.2	-1.3	-1.4	-1.4	-1.5	-1.6	-1.7	-1.8	-1.9	-2.0	-55.1	-67.0
Total (excluding PDI)	-464.2	-421.3	-442.8	-466.5	-491.2	-517.1	-546.1	-576.1	-608.2	-643.5	-679.8	-1,794.8	-5,856.8

(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: Expand mental healthcare under 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													
<i>Component 1: Unlimited sessions</i>	-67.6	-70.1	-72.5	-75.1	-77.7	-80.5	-83.4	-86.3	-89.3	-92.5	-95.7	-285.3	-890.7
<i>Component 3: Increased rebate</i>	-214.0	-222.0	-229.0	-237.0	-245.0	-253.0	-261.0	-270.0	-279.0	-288.0	-298.0	-902.0	-2,796.0
<i>Component 4: Provisional psychologists</i>	-117.0	-128.0	-139.0	-152.0	-166.0	-182.0	-199.0	-217.0	-237.0	-259.0	-283.0	-536.0	-2,079.0
Total – administered	-398.6	-420.1	-440.5	-464.1	-488.7	-515.5	-543.4	-573.3	-605.3	-639.5	-676.7	-1,723.3	-5,765.7
Total – departmental	-51.2	-1.2	-1.3	-1.4	-1.4	-1.5	-1.6	-1.7	-1.8	-1.9	-2.0	-55.1	-67.0
Total (excluding PDI)	-449.8	-421.3	-441.8	-465.5	-490.1	-517.0	-545.0	-575.0	-607.1	-641.4	-678.7	-1,778.4	-5,832.7

(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: Expand mental healthcare under Medicare – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)(c)}

	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>	-10.0	-30.0	-50.0	-72.0	-97.0	-124.0	-153.0	-185.0	-220.0	-258.0	-301.0	-162.0	-1,500.0
<i>Underlying cash balance</i>	-7.0	-25.0	-45.0	-67.0	-91.0	-117.0	-146.0	-177.0	-211.0	-249.0	-290.0	-144.0	-1,425.0

- (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 glossary².
- (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.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au)