



How does the Medicare Safety Net work?



Medicare Safety Net—saving you money on medicine

If you need to see a doctor or have tests regularly you could end up with high medical costs. The Medicare Safety Net is designed to help you when you need it most. It means that once you reach a safety net threshold, visits to your doctor or having tests may end up costing you less.

All **families and couples** need to register. Even if all your family members are listed on your Medicare card you still need to register for the safety net.

Did you know?

- each family member needs to be identified so their medical costs can be counted towards your family's safety net
- you only need to register your family once
- registering is free.

Please note: if you are registered as a family for safety net purposes, you must confirm your family composition in writing each year before any safety net benefits can be paid.

Individuals are automatically registered—just keep your contact details up-to-date with Medicare.

Individuals, families and couples are all eligible for the same threshold amounts. If you register as a family or couple your medical costs are combined so that you are more likely to reach the thresholds sooner.

How do I register?

- Online—visit www.medicareaustralia.gov.au and download a form or visit the 'Online Services' section and register online
- Call—132 011*
- In person—visit your local Medicare office and pick up a form.

Completed forms can be placed in the drop box at your local Medicare office or mailed to **Medicare, GPO Box 9822, in your capital city.**

What is a 'safety net' family?

For safety net purposes a family consists of:

- a couple legally married and not separated, or a man and a woman in a de facto relationship with or without dependant children
- a single person with dependant children

Please note: a dependant child is someone under 16 years of age or a full time student under 25 years whom you support.

What if my child is a member of two registered families?

If your child is a member of two registered families, for reasons such as separation or divorce, the family which pays the cost of the medical service receives the benefit. This is determined by the Medicare card used to claim the benefit.

How do I change my family's safety net registration details?

To change your family registration details please fill in a Medicare Safety Net amendment form available from our website at www.medicareaustralia.gov.au or from your local Medicare office.

How does the Medicare Safety Net work? *continued*

What services count towards the safety net?

Only Medicare services received out-of-hospital count towards the safety net.

Safety net summary

	Threshold	Who it is for?	How it is calculated?	Benefit to customers
Gap	\$358.90 ⁺	All Medicare card holders	Based on <i>gap</i> amount	100% of Schedule Fee for out-of-hospital services
Concession and FTB(A)	\$519.50 ⁺	Concession card holders Families eligible for Family Tax Benefit (A)	Out-of-pocket costs	80% of out-of-pocket costs for out-of-hospital services
General	\$1039.00 ⁺	All Medicare card holders	Out-of-pocket costs	80% of out-of-pocket costs for out-of-hospital services

⁺ This figure is in line with the Consumer Price Index (CPI adjusted) on 1 January each year.

Out-of-pocket costs—the difference between the Medicare benefit and what your doctor charges you.

Gap amount—the difference between the Medicare benefit and the Schedule Fee.

Schedule Fee—a fee for service set by the Australian Government.

Is it possible to reach more than one threshold?

Yes—it is possible to reach more than one threshold in a calendar year. Medicare will calculate the benefits you are entitled to and when you reach another threshold, you will be automatically paid the safety net benefit for claims made on fully paid accounts for the rest of that calendar year.

What is the concession and FTB(A) threshold?

The concession and FTB(A) threshold is for concession card holders and families eligible for FTB(A).

How is the threshold calculated?

This threshold is reached by calculating your out-of-pocket medical costs for services outside of hospital. Out-of-pocket costs are the difference between the Medicare benefit and what your doctor charges you.

What am I entitled to once I qualify for the concession and FTB(A) threshold?

Medicare will pay 80 per cent of the out-of-pocket costs for medical services provided out of hospital after a threshold of \$519.50 per family or individual per calendar year is reached.

- when you pay the account in full, you will receive the Medicare benefit plus the additional 80 per cent.
- when you do not pay the account in full, you will be sent a cheque made payable to your doctor which you then take to the doctor along with any outstanding balance. Once you pay the remainder of the account in full and you provide proof of payment to Medicare (that is your receipt), the additional 80 per cent benefit is then paid to you.

For example, once you qualify for the \$519.50 threshold and then visit a doctor who charges you \$55 for a standard consultation, you will receive your Medicare benefit of \$31.45 plus 80 per cent of your out-of-pocket costs (\$23.55)—giving you an extra \$18.85 in your pocket.

What are eligible concession cards?

Eligible concession cards are those issued by either Centrelink or the Department of Veterans' Affairs, including:

- Pensioner card
- Health care cards
- Commonwealth seniors health cards

How does the Medicare Safety Net work? *continued*

Who is considered a concessional family?

A concessional family is a combination of at least one adult plus another family member who is entitled to a Commonwealth concession card. Only these concession card holders' out-of-pocket costs count towards the concession safety net threshold.

If one or more children within your family have concession cards but you and your spouse do not, then your child/children are treated as individuals for the purposes of calculations and payments under this safety net.

Who is considered a FTB(A) family?

If you receive an FTB(A) payment, you and your family are eligible for the FTB(A) safety net threshold.

There are two ways families can claim an FTB(A) payment; as a fortnightly instalment or as a lump sum payment.

Fortnightly instalment examples:

- if you claim FTB(A) as a fortnightly instalment via the Family Assistance Office, your FTB(A) safety net threshold eligibility will commence from the date of payment in that calendar year.
- if you claim FTB(A) by deferring your fortnightly instalment payments through the Family Assistance Office your FTB(A) safety net threshold eligibility will commence from the date of deferment in that calendar year.

Lump sum examples:

- if you claim FTB(A) as a lump sum payment for a past period, for example, the previous financial year, your FTB(A) safety net threshold eligibility will commence the following calendar year
- if you claim FTB(A) as a lump sum payment through the Tax Office via your tax return, your FTB(A) safety net threshold eligibility will commence the following calendar year
- if you claim FTB(A) as a fortnightly tax deduction through the Tax Office, your FTB(A) safety net threshold eligibility will commence the following calendar year.

Please note: lump sum payments must be received before 31 December to be eligible for the next entire calendar year. If the payment is made after 31 December, eligibility will commence from the date of payment in the eligible calendar year in which it is received.

Disclaimer: how you choose to receive your FTB(A) payment/s determines your eligibility for the FTB(A) safety net threshold. It is your responsibility to understand that your choice of FTB(A) payment can affect your FTB(A) safety net threshold eligibility at a given time.

For more information on FTB(A) contact the Family Assistance Office on **136 150***, the Tax Office on **132 861***, or visit your local Medicare office, Centrelink Customer Service Centre or Australian Tax Office (ATO) shopfront.

What if I'm only a concession card holder for part of the year or receive only one fortnightly FTB(A) payment?

If you are a concession card holder at any time during a calendar year, you are eligible for the FTB(A) safety net threshold for the remainder of that year starting from the concessional eligibility date.

If your family receives only one fortnightly FTB(A) payment, you are eligible for the \$519.50 safety net threshold from the date you receive the FTB(A) payment for the remainder of that year.

What is the general threshold?

The general threshold is for all Medicare card holders.

How is the threshold calculated?

This threshold is reached by calculating your out-of-pocket medical costs for services outside of hospital. Out-of-pocket costs are the difference between the Medicare benefit and what your doctor charges you.

How does the Medicare Safety Net work? *continued*

What am I entitled to once the general safety net threshold is met?

Medicare will pay 80 per cent of the out-of-pocket costs for medical services provided outside hospital after a threshold of \$1039 per family or individual per calendar year is reached.

- When you pay the account in full, you will receive the Medicare benefit plus the additional 80 per cent benefit.
- When you do not pay the account in full, you will be sent a cheque made payable to your doctor which you then take to the doctor along with any outstanding balance. Once you pay the remainder of the account in full and you provide proof of payment to Medicare (that is your receipt), the additional 80 per cent benefit is then paid to you.

For example, once you qualify for the general threshold and then visit a doctor who charges you \$55 for a standard consultation, you will receive your Medicare benefit of \$31.45 plus 80 per cent of your out-of-pocket costs (\$23.55)—giving you an extra \$18.85 in your pocket.

What is the gap threshold?

The gap threshold is for all Medicare card holders.

How is the threshold calculated?

This threshold is reached by calculating your gap amounts. Medicare pays either 85 per cent or 100 per cent of the Medicare Schedule Fee for out-of-hospital services. This is dependent on the service provided. The gap amount is the difference between the Medicare benefit and the Schedule Fee.

The Schedule Fee is the fee for service set by the Australian Government—not the fee charged by the doctor.

What am I entitled to once the gap safety net threshold is met?

Once your gap amount reaches a threshold of \$358.90, your Medicare benefits will increase to 100 per cent of the Schedule Fee for any further out-of-hospital services that do not already attract 100 per cent of the Schedule Fee in that calendar year.

- When you pay the account in full you will receive 100 per cent of the Schedule Fee.
- When you do not pay the account in full you will be sent a cheque made payable to your doctor for 100 per cent of the Schedule Fee which you take to the doctor along with any outstanding balance.

For example, once you qualify for the gap threshold and are charged \$55 for an out-of-hospital service that does not already attract the full 100 per cent of the Schedule Fee, instead of receiving your standard Medicare benefit of 85 per cent of the Schedule Fee you will receive the full 100 per cent of the Schedule Fee.

For more information

online www.medicareaustralia.gov.au

email info@medicareaustralia.gov.au

call **132 011***

TTY **1800 552 152**** (Hearing and speech impaired)

TIS **131 450*** (Translating and Interpreting Service)

write **Medicare**
GPO Box 9822
in your capital city

* Call charges apply

** Call charges apply from mobile or pay phones only