



Australia has a world class healthcare system. Many treatments are subsidised or fully paid for by the Australian Government through Medicare.

Many people also have private health insurance, which can reduce waiting times and allow you to choose your doctor. However, people might experience unexpected or significant out-of-pocket medical costs. This can be worrying.

Defining out-of-pocket costs

An out-of-pocket medical cost is the amount you pay for a medical service. It is the amount not covered by Medicare or any private health insurance.

Out-of-pocket costs are normal in many situations. They are also called a 'patient payment' or 'gap payment'.

Out-of-pocket costs vary depending on your situation

Public patient in a public hospital – you have no out-of-pocket costs for treatment, which is paid by the Commonwealth and State Governments.¹

Privately insured patient in a private hospital setting – you pay the difference between the doctors' fees and contributions from Medicare and your private health insurance.

Out-of-hospital treatment – you pay the difference between the doctors' fees and any Medicare contributions.²

1. For people eligible for Medicare. Learn more at servicesaustralia.gov.au/medicare

2. Health insurers cannot **contribute** to out-of-hospital treatment for Medicare services.

Visit the Medical Costs Finder:



medicalcostsfinder.health.gov.au



A guide to out-of-pocket medical costs

HELPING YOU PLAN FOR
THE COSTS OF PRIVATE
MEDICAL TREATMENT.

*What to think about when considering
treatment as a private patient.*

Before choosing a specialist

✓ ASK ABOUT FEES AND COSTS

- It's okay to talk about fees and costs upfront.
- You can ask questions about fees and costs over the phone before making a specialist appointment.
- This can help you plan for out-of-pocket costs you might have to pay.

✓ VISIT THE MEDICAL COSTS FINDER WEBSITE

- Visit the [Medical Costs Finder](https://www.health.gov.au/medicalcostsfinder) to be prepared when you talk to your specialist: [medicalcostsfinder.health.gov.au](https://www.health.gov.au/medicalcostsfinder).
- Think about your needs and preferences. Refer to **“A Guide for patients – choosing a specialist”** on the website.

When seeing a specialist

✓ ASK YOUR SPECIALIST OR THEIR STAFF

- What the name of your procedure is, and the relevant Medical Benefits Scheme (MBS) item numbers.
- For a written estimate of fees.
- If you have to pay any out-of-pocket costs.
- If Medicare will contribute to your treatment and how much they will pay.
- For an in-hospital treatment, if your specialist has a ‘gap arrangement’ with your private health insurer.
- If you will need to see other doctors. If so, talk to them about their fees and the costs as well.
- If you will need other tests and how much this will cost.
- When and how your specialist will charge you. Check whether you pay upfront or if they will bill Medicare and your insurer first.



What costs might you pay?

Medicare or your health insurer may contribute to your medical costs. In addition to your treatment, you may have to plan for other costs too.

HOSPITAL TREATMENT COSTS AS A PRIVATE PATIENT³

- **Health care provider fees** for treatment or assessment – this might include surgeon, anaesthetist, assistant surgeon, other specialists, diagnostic tests, and imaging fees.
- **Hospital charges** – this might include accommodation, operating theatre, prostheses (devices like plates, screws), medicines, dressings, physiotherapy, and other therapy charges.

OUT-OF-HOSPITAL COSTS

Fees for treatment – this might include GP, specialist, medicines, outpatient radiology, other tests, cancer radiation, chemotherapy, physiotherapy, and other therapy fees.

3. Private health insurers may help reduce or eliminate your costs – benefits can vary between insurers.

After seeing a specialist

✓ ASK YOUR PRIVATE HEALTH INSURER

- If your policy covers the likely treatment.
- If you will have waiting periods.
- If you will have to pay an excess or co-payment.
- How much they will pay. This amount can vary between insurers.
- What gap arrangements they have with specialists and hospitals, and how that affects the amount you pay.

✓ ASK YOUR HOSPITAL

- What their costs are.
- If there are additional costs even if you have private health insurance. This might be for medicines, wound dressings, TV and newspaper access, and post-op outpatient appointments.

✓ VISIT THE MEDICAL COSTS FINDER

- Visit the [Medical Costs Finder](https://www.health.gov.au/medicalcostsfinder) to find and understand the typical costs for common private health procedures.
- Use the Medical Costs Finder and the quote from your specialist to plan for your private health procedure.
- Remember information on the website is a guide only.

