

The Medicare Safety Net System Explained

What is the Medicare Safety Net?

The Medicare Safety Net is a scheme to help Australians who pay out-of-pocket medical expenses, also known as gaps.

What is an out-of-pocket expense or gap?

The out-of-pocket expense or gap is the difference between what the health care provider charges for their service and your Medicare rebate. For example, if the GP charges \$89 for an appointment and the Medicare rebate is \$41, then the gap is \$48.

Medicare automatically adds up all the gaps you pay in a **calendar year** (1st January to 31st December). When the amount you have paid is more than your Medicare Safety Net Threshold, the safety net will automatically apply. That means that Medicare will pay more to cover part of the gap for your out of hospital Medicare services for the rest of the year.

Who is Eligible?

To be eligible for the Medicare Safety Net, you must be an **Australian citizen or permanent resident**, and have a **current Medicare card**.

What is the Medicare Safety Net Threshold?

The Medicare safety net threshold is **the total amount of money that an individual or family spends on gaps in a calendar year before the Medicare Safety Net applies**. Concession card holders have a lower Medicare Safety Net Threshold than people who do not have a concession card.

Once you reach the Medicare Safety Net Threshold as an individual or family, you are **eligible for a further rebate** from Medicare to cover up to 80% of your gaps for the rest of the year. The amount Medicare covers is capped, but for most services it will be 80% of the gap. If the provider charges a higher fee than 3 x the Medicare rebate for that service, Medicare covers less than 80% of the gap. The cost the health professional charges for medical care remains the same, but the amount you receive back from Medicare increases, so your gap becomes much lower.

Example

Before meeting your safety net threshold:

You see a GP who charges \$89 and you get the Medicare rebate of \$41. Your gap is \$48.

After meeting your safety net threshold:

The GP still charges \$89, you get the Medicare rebate of \$41 plus 80% of \$48 gap (\$38), a total Medicare rebate of \$79. Your gap is now \$10.

Extended Medicare Safety Net (EMSN) – General: For everyone with a Medicare card.

Threshold Amount **\$2,544.30.**

Extended Medicare Safety Net (EMSN) – Concessional and Family Tax Benefit Part A

The lower threshold applies for any of the following groups:

- a. **Individual with a concession card** (Pensioner, Healthcare, Commonwealth Healthcare Card)
- b. **Concessional family - at least 2 members** of the Safety Net family must hold a concession card, to form a Concessional Safety Net family, only those with concession cards contribute towards this safety net.
- c. **Family Tax Benefit Part A:** Families eligible for Family Tax Benefit Part A.

Threshold Amount \$811.80

How to Register for the Medicare Safety Net?

Individuals

You don't have to register for the Safety Net **if you're single** and participate in the Medicare system, as Medicare automatically records your claims throughout the year. If you meet or exceed the threshold for higher benefits, they will be **applied automatically**.

Families and Couples

Families and couples must register for the Medicare Safety Net, families, couples, or individuals with dependent children, **are not combined automatically**. Registering ensures your medical expenses are combined, meaning you reach the thresholds faster and can access the higher benefits sooner.

You can register as a family **if you're married or a couple in a de facto relationship** (with or without dependants), or a **single person with dependants**. Dependants are classified as a child under 16 years or a full time student aged between 16 and 25 years.

Dependants can be registered under two different Medicare Safety Net families, however, the gap amounts will only count towards the Safety Net family that pays for the medical services.

You only need to register once. It is critical to notify Medicare **if there are any changes** to your Medicare Safety Net Family. Such as having a child, adopting, or separating from your partner.

What is the Process to Register for the Medicare Safety Net?

Families and couples must register either by;

- Calling Medicare on 132 011 or;
- by completing the MS016 form from Medicare, located here;
<https://www.servicesaustralia.gov.au/sites/default/files/ms016-2205en-f.pdf>
- Then post the forms to the address on the form, or in person at a Services Australia Centre.

How Do I Check Medicare Safety Net Amounts?

You can check your Safety Net amounts **by logging into your Medicare online account or using the Express Plus Medicare mobile app**. Or you can call the Medicare program on 132 011.

Medicare will notify you once you are approaching the threshold, to confirm your family safety net members. This will usually be through Medicare Online (via MyGov), Medicare app, or by post.

Further information;

Services Australia

<https://www.servicesaustralia.gov.au/medicare-safety-nets>