Australia has a regionally administered, universal public health insurance program (Medicare) that is financed through general tax revenue and a government levy. Enrollment is automatic for citizens. New Zealand citizens, permanent residents, and people from countries with reciprocal benefits are eligible to enroll in Medicare, which includes free hospital care and substantial coverage for physician services, pharmaceuticals, and certain other services. Approximately half of Australians buy private supplementary insurance to pay for private hospital care, dental services, and other services. The federal government pays a rebate toward this premium and also charges a tax penalty on higher-income households that do not take up private insurance.

### Health System Overview

**Australia**

General practitioners (GPs) are typically self-employed, with about four physicians per practice on average. No patient registration required. Paid mostly on fee-for-service basis, with some pay-for-performance incentives. **Patient cost-sharing:** Mostly none; 14 percent of GPs charge fees averaging $22.

Specialists deliver outpatient care in private practice or in public hospitals. Patients can choose specialists but must have GP referral to receive government subsidies. Paid mostly on fee-for-service basis. **Patient cost-sharing:** $56 on average.

Hospitals are mostly public (65% of beds). Public hospitals are organized into Local Hospital Networks and paid mainly through activity-based payments (DRGs). Private for-profit and nonprofit hospitals are paid fee-for-service. **Patient cost-sharing:** None at public hospitals for publicly insured patients; private voluntary insurance subsidizes some private hospital fees.

### INSURANCE COVERAGE (% of Population)

- **Public coverage:** 100%
  - Universal insurance through Medicare, regionally administered and financed through general tax revenue and earmarked income tax

- **Private supplementary coverage**
  - Individual policies for access to private hospitals: 46%
  - Individual policies for dental, vision, physiotherapy, chiropractic, home nursing: 55%

### Demographics

- **24.6M**
  - Total population

- **15.6%**
  - Population age 65+

### Health System Capacity & Utilization

- **3.7**
  - Practicing physicians per 1,000 population

- **7.7**
  - Average physician visits per person

- **11.7**
  - Nurses per 1,000 population

- **3.8**
  - Hospital beds per 1,000 population

- **181**
  - Hospital discharges per 1,000 population

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All costs are in U.S. dollars, adjusted for cost-of-living differences. Conversion rate: AUD 1.00 = USD 0.72.
Prescription drugs in outpatient settings are covered under the Medicare Pharmaceutical Benefits Scheme (PBS). Patient cost-sharing: Generally none for drugs received in hospitals. Maximum copay of $28 per prescription (plus potential additional fees); reduced to $4.20 after patient spends $1,064 in calendar year. Low-income adults pay $4 per prescription, with no cost-sharing once reaching $268 cap for calendar year.

Mental health services are provided by GPs and specialists, community-based care, hospitals (in- and outpatient), and residential care. GPs, specialist care, and pharmaceuticals are subsidized through Medicare and PBS.

Long-term care in nursing homes is provided by private and public facilities, some of which are federally subsidized residential facilities that require a needs assessment. Permanent residential care is means-tested. Most elderly persons with long-term care needs receive informal care (75%); 60 percent receive formal assistance. Various government programs provide financial assistance to informal caregivers.


Care coordination is incentivized through the Practice Incentives Program (PiP) and Primary Health Networks (PHNs), funded through government grants and other programs.

TOTAL HEALTH EXPENDITURES
Nationally, total health spending represented 10.3 percent of GDP in 2015–2016. Public spending accounted for 67 percent of the total.

RECENT REFORMS
• Reforms to the aged care system address financial sustainability, quality of care, consumer choice, and social isolation (2018).
• Additional government funding for strengthening suicide prevention and mental health care, as well as health care for children and youth.