

Australia



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.

INSURANCE COVERAGE (% OF POPULATION)

0% 50% 100%

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%

HEALTH CARE DELIVERY AND PAYMENT

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.

All costs are in U.S. dollars, adjusted for cost-of-living differences.
Conversion rate: AUD 1.00 = USD 0.72.

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



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.

Safety nets include the Original Medicare Safety Net, covering Medicare schedule fees toward out-of-hospital services above an annual out-of-pocket threshold (\$332). The Extended Medicare Safety Net covers 80 percent of out-of-pocket, out-of-hospital costs over an annual threshold for low-income adults, seniors, and caregivers. The “Greatest Permissible Gap” sets a maximum out-of-pocket fee per out-of-hospital service (\$57).

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.

This overview was prepared by Lucinda Glover, with contributions from Michael Woods.

SPENDING

\$5,005

Health care spending per capita (USD purchasing power parities)

\$837

Out-of-pocket health spending per capita

\$673

Spending on pharmaceuticals (prescription and OTC) per capita

HEALTH STATUS & DISEASE BURDEN

82.6

Life expectancy at birth (years)

30.4%

Obesity prevalence

5.1%

Diabetes prevalence

15%

Adults with multiple chronic conditions (2 or more)

Data: 2019 OECD Health Data except: diabetes prevalence from *Health at a Glance 2019* (IDF Atlas 2017 data); adults with 2+ chronic conditions from the 2016 CMWF International Survey.