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| Improving Access to Primary Care in Rural and Remote Areas  COAG Section19(2) Exemptions Initiative |
| Factsheet |
| OFFICIAL |

# Overview

The [Council of Australian Governments (COAG) Section 19(2) Exemptions Initiative – Improving Access to Primary Care in Rural and Remote Areas](https://www1.health.gov.au/internet/main/publishing.nsf/Content/COAG%20s19(2)%20Exemptions%20Initiative) (the Initiative) <https://www1.health.gov.au/internet/main/publishing.nsf/Content/COAG%20s19(2)%20Exemptions%20Initiative> recognises that people living in rural and remote communities often have limited access to primary care services. The Initiative aims to provide greater patient access to primary health services locally, including after hours, in small public hospitals and health services.

The Initiative was established through a Memorandum of Understanding (MoU) between the Australian and Victorian governments. An MoU is now in place and, unless terminated earlier, will expire on 30 June 2025. The MoU can be viewed on the [Victorian Department of Health’s website](https://www.health.vic.gov.au/improving-access-to-primary-care-in-rural-and-remote-areas) <https://www.health.vic.gov.au/improving-access-to-primary-care-in-rural-and-remote-areas>.

For a service or its site locality to be eligible it must:

* be within categories 5-7 of the Modified Monash Model classification system (MMM 5-7)
* be approved by the Victorian Department of Health
* obtain support for the Initiative from local primary care providers, with the support of the local Primary Health Network (PHN) - if required.
* submit an operational plan to be approved by the Australian Government and report annually on the activities included in the operational plan.

The Victorian Department of Health has produced guidance and resources to assist health services and bush nursing centres in applying to participate in the Initiative, which can be found at [Improving Access to Primary Care in Rural and Remote Areas Initiative](https://www.health.vic.gov.au/improving-access-to-primary-care-in-rural-and-remote-areas) <https://www.health.vic.gov.au/improving-access-to-primary-care-in-rural-and-remote-areas>.

## How the Initiative supports health services

The Initiative provides for an exemption under subsection 19(2) of the [*Health Insurance Act 1973* (Cth)](https://www.legislation.gov.au/Details/C2022C00023)<https://www.legislation.gov.au/Details/C2022C00023> to allow eligible state or territory funded site practitioners, with a separate Medicare provider number to claim against the [Medicare Benefits Schedule](http://www.mbsonline.gov.au/) (MBS) <http://www.mbsonline.gov.au>.

The MBS rebate can be claimed for non-admitted, non-referred professional services provided by eligible medical, nursing and midwifery services, allied health and dental services, specified diagnostic imaging services, and pathology services in bush nursing centres and rural hospital urgent care centres at eligible sites. The revenue is returned to the health service/bush nursing centre.

The Initiative provides for increased community access to primary care services and support for continued investment by ensuring:

* **At least 70 per cent of the MBS rebate funds** derived by the health service from the Initiative must be invested in new or improved primary care services in accordance with the eligible site’s Operational Plan. The remaining funds may be used for the administration of the Initiative and recruitment or retention incentives.
* Patients are bulk billed for services provided under this initiative.

## What the Initiative aims to achieve

The Initiative supports rural and remote hospitals and health services in rural and remote communities by increasing access to Australian Government funding and ensures that eligible sites increase support for primary care in these areas. It recognises the challenges in attracting and retaining adequate primary care providers in rural and remote areas and aims to achieve a net gain in primary health services in these areas.

The Initiative also supports health service collaborative planning with community stakeholders, including local general practices and PHNs, to determine the future health needs of their community.

Funding accessed through this Initiative should not be used for any purpose that undermines the viability or profitability of existing privately operated health services, including existing general practices.

# Exemption eligibility and application

## Health service site

For a health service site to be considered for, or retain, eligibility under the Initiative as an eligible site:

* The facility must be in categories MMM 5-7 and have the support of the Victorian Department of Health. To check a site’s location eligibility, refer the list of eligible sites on the [Victorian Department of Health’s website](https://www.health.vic.gov.au/improving-access-to-primary-care-in-rural-and-remote-areas) <https://www.health.vic.gov.au/improving-access-to-primary-care-in-rural-and-remote-areas> or go directly to the [Australian Department of Health’s Modified Monash Model webpage](https://www.health.gov.au/health-topics/rural-health-workforce/classifications/mmm) <https://www.health.gov.au/health-topics/rural-health-workforce/classifications/mmm>.
* The eligible site needs to be listed under its practice name in the directions made under subsection 19(2) of the Health Insurance Act.
* The eligible site is expected to meet the requirements in the Operational Plan (Schedule B of the MoU – available at the [Australian Department of Health’s website](https://www1.health.gov.au/internet/main/publishing.nsf/Content/COAG%20s19(2)%20Exemptions%20Initiative) <https://www1.health.gov.au/internet/main/publishing.nsf/Content/COAG%20s19(2)%20Exemptions%20Initiative>) and submit a completed plan to the Victorian Department of Health. The department will submit the endorsed operational plan to the Australian Government for approval.
* The health service will need to commit to reviewing its Operational Plan annually and provide new or updated Operational Plans as required.
* The health service needs to provide Site Annual Reports (Schedule C of the MoU) each financial year during the term of this MoU to the Victorian Department of Health.

To apply for exemption, eligible health services must complete and send an Operational Plan to the Health Services Improvement team via [healthservicesimprovement@health.vic.gov.au](mailto:healthservicesimprovement@health.vic.gov.au)

## Health professional

An eligible health professional must by employed or engaged by the public health services and meet the eligibility requirements to obtain a Medicare provider number.

The eligible health professional may be a:

* medical officer or staff specialist
* nurse practitioner, nurse or midwife
* dental professional
* allied health professional, such as a podiatrist or dietician.

It is a requirement that eligible practitioners must have a separate provider number for each location at which they provide services. Implementation of the Initiative may require the practitioner to have more than one provider number. This scenario occurs where an approved eligible site provides outreach services. The practitioner would have a provider number for the approved eligible site location and then one for the outreach service in the location where the service is provided.

To apply for an initial or additional provider number, healthcare professionals should refer to the forms available on the Australian Government’s [Services Australia website](https://www.servicesaustralia.gov.au/health-professionals) <https://www.servicesaustralia.gov.au/health-professionals>.

# Implementation

As agreed in the MoU between the Australian and Victorian governments, implementation will be overseen by the Victorian Department of Health. Individual health services can also seek support from the local PHN to identify potential service gaps or needs and facilitate discussions between private providers, if required.

Exempted health services are required to comply with the requirements of the MBS, the Health Insurance Act, the National Health Reform Agreement and other relevant Australian and Victorian regulation and policy.

## Engaging practitioners and the PHN

It is important for health services to engage and support potential healthcare professionals to participate in the Initiative for a successful Operational Plan submission and to ensure compliance with Medicare requirements, especially with respect to the assignment of Medicare income from the patient.

In brief, this involves:

* identification of locality health care professional needs (PHN can assist)
* provision of information packages to all parties
* local negotiations with all relevant stakeholders
* support in writing by all local primary care providers (PHN can assist if required)
* submission of application and the Operational Plan to the Victorian Department of Health
* agreement to a local communication plan.

Local implementation of the Initiative should adhere to the following principles:

* clinical need of consumers must be the paramount concern
* key objective is to enhance primary care services in the identified community
* sustainability and viability of a private practice should not be threatened by implementation of the Initiative
* local flexibility with arrangements is necessary to be responsive to community and stakeholder needs, however, consideration should be given to equity between the involved parties.

## Monitoring and reporting

Health services will need to establish local billing, accounting and reporting procedures to assist with the implementation and operation of this Initiative where sites become eligible, and are expected to:

* record the Medicare rebate claimed by the participating eligible health professional in an identifiable cost centre for the purposes of this Initiative
* establish an external project committee with terms of reference to oversee the application and implementation of the Initiative
* report annually to the Victorian Department of Health using the Site Annual Report (Schedule C of the MoU – available at the [Australian Department of Health’s website](https://www1.health.gov.au/internet/main/publishing.nsf/Content/COAG%20s19(2)%20Exemptions%20Initiative) <https://www1.health.gov.au/internet/main/publishing.nsf/Content/COAG%20s19(2)%20Exemptions%20Initiative>) by **31 July** for the immediate past financial year, reporting on each eligible site
* provide the Victorian Department of Health by **31 July** each year, during the term of the MoU, a new or updated annual Operational Plan (Schedule B of the MoU) for the then current financial year, or confirmation that the existing Operational Plan is still current, in respect of each eligible site
* report subsection 19(2) urgent care activity monthly to the Victorian Department of Health
* fund new or enhanced local primary care services and improvements at the relevant site, in accordance with its Operational Plan
* ensure patients are bulk billed for services provided under this Initiative
* comply with the requirements stated in the Health Insurance Act, the MBS, any additional requirements stated in the National Health Reform Agreement or future National Health Agreements agreed to by the Victorian Government, and other relevant Australian and Victorian government documents.

# Guidance and resources

The Victorian Department of Health has developed guidance and resources to support eligible health services to apply for and implement the Initiative. This includes templates to support the application and annual reporting requirements.

Guidance and further information about the Initiative can be found on the [Victorian Department of Health’s website](https://www.health.vic.gov.au/improving-access-to-primary-care-in-rural-and-remote-areas) <https://www.health.vic.gov.au/improving-access-to-primary-care-in-rural-and-remote-areas>.

# More information

**Australian Department of Health Initiative information:** <https://www1.health.gov.au/internet/main/publishing.nsf/Content/COAG%20s19(2)%20Exemptions%20Initiative>

**Victorian Department of Health Initiative information:**<https://www.health.vic.gov.au/improving-access-to-primary-care-in-rural-and-remote-areas>

# Contact us

For more information on the Victorian implementation of Initiative, email the Health Services Improvement team via [healthservicesimprovement@health.vic.gov.au](mailto:healthservicesimprovement@health.vic.gov.au)

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