



Ten Year Moratorium Scaling Discounts

Overseas trained doctors (OTDs) and foreign graduates of an accredited medical school (FGAMS) working in private practice in Australia are generally subject to the Medicare provider number restrictions contained under section 19AB of the Health Insurance Act 1973 (the Act).

Section 19AB restricts access to Medicare provider numbers, and requires OTDs and FGAMS to work in designated districts of workforce shortage (DWS) in order to access Medicare benefits for up to ten years. This is also commonly referred to as the 'ten-year moratorium'.

The scaling discounts are a non-cash incentive offering OTDs and FGAMS opportunities to reduce their ten-year moratorium restriction by working in more remote areas of Australia, where the need for medical practitioners is highest.

Scaling is based on the Australian Standard Geographical Classification – Remoteness Areas (ASGC-RA) table as below:

ASGC-RA	1	2	3	4	5
Period of restriction	10 yrs	9 yrs	7 yrs	6 yrs	5 yrs
% discount	Nil	10%	30%	40%	50%

For example, a medical practitioner meeting the eligibility criteria and working in an ASGC-RA 4 will serve six years instead of ten.

When was the discount introduced?

The scaling initiative commenced on 1 July 2010. Discounts are not applied retrospectively,

meaning OTDs and FGAMS who were already practising in Australia under the 19AB restrictions at 1 July 2010 will only have the discount applied to their remaining moratorium years.

Eligibility criteria

OTDs and FGAMS are eligible for scaling if they:

- hold a valid section 19AB exemption for the location where the services are provided (ie where their medical services attract Medicare benefits); and
- achieve a minimum Medicare monthly billing threshold of \$5,000 within an eligible regional or remote area (ASGC-RA 2,3, 4 or 5).
- doctors who do not reach the minimum threshold will not receive scaling incentives for that period.

Please note: This criteria means that medical practitioners who do not bill through the Medicare benefits system or do not meet the minimum threshold will not be eligible for the scaling back discounts, for example, this may affect medical practitioners employed by the WA Country Health Service and the Royal Flying Doctor Service.

Eligible Medicare claims

- The 'schedule fee' of the following item numbers is counted towards the total 'value of claims' each month:
- all MBS services, including assist at operation item numbers
- MBS items used for DVA patients
- late claims

Whilst all care has been taken in preparing this document, this information is a guide only and subject to change without notice.

Practice Assist is an initiative of



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The following item numbers are not counted:

- act of grace payments
- rejected claims
- bulk billing incentive items

Calculation of discounts

Discounts are automatically calculated by the Department of Human Services (DHS), Medicare every month. DHS calculates doctors claiming activities in all eligible ASGC-RA locations irrespective of the number of services provided in each category.

Where considered eligible each month, doctors receive the scaling discount applicable to the major ASGC-RA category (for that month). The major ASGC-RA category is that of the location where the highest value of claims was made by the doctor.

Completion of return of service obligation

Each month, DHS automatically calculates each doctor's revised 'scaled back' end dates for their ten-year moratorium requirement. This process continues automatically until the revised scaled end date is equal to the actual date (ie today's date).

When this happens, the doctor has satisfied the return of service obligation under the Act and no longer has to practise in a DWS to obtain Medicare access.

DHS automatically applies an open-ended 'scaling class' 19AB(3) exemption to a doctor's record. This exemption is not location specific, allowing the doctor to apply for a Medicare provider number to cover any practice locations of their choice.

DHS provides written notification to doctors when the 'scaling class' 19AB(3) exemption is applied.

How does an OTD or FGAMS access their scaling information?

Doctors with a Public Key Infrastructure (PKI) individual certificate will be able to view their scaling progress using the DHS Health Professionals Online Services (HPOS) System.

Further advice regarding the HPOS and the process for applying for a PKI certificate is available by calling the DHS-Medicare's eBusiness Service Centre: 1800 700 199

The Five Year Overseas Trained Doctors Scheme

OTDs enrolled on the Five Year Overseas Trained Doctors (OTD) Scheme are receiving a further discount on their ten-year moratorium requirements.

For example, an OTD working in an ASGC- RA 5 location may only serve five years under the scaling discounts (instead of ten). In comparison however, the same RA5 town may be considered a Category A location for the Five Year OTD Scheme, making the time requirement only three years (instead of ten).

For more information on the Five Year OTD Scheme please contact [Rural Health West](#).

More information

Medicare Australia

Telephone: 132 150

Website:

www.humanservices.gov.au/individuals/medicare

See also

Practice Assist Fact Sheets:

- What is a District of Workforce Shortage?
- What is Section 19AA of the Health Insurance Act 1973?
- What is Section 19AB of the Health Insurance Act 1973?