27 March 2026

Senator the Hon Matthew Canavan
Chair
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Canberra ACT 2600

Submitted via Committee website

Dear Senator Canavan

headspace National Youth Mental Health Foundation welcomes the opportunity to provide a submission to the Rural and Regional Affairs and Transport References Committee's inquiry into rural, regional and remote Medicare access and funding.

headspace provides early intervention mental health services to 12- to 25-year-olds via a network of 175 services across Australia. headspace also offers online and phone support services and resources through eheadspace. Our services provide four core streams of service: mental health, physical and sexual health, alcohol and other drugs support, and vocational services.

Our submission focuses on Medicare billings for GPs in headspace centres, and the impact of the 2025 reforms on centres' capacity to recruit and retain GPs and offer young people no or low cost access to their services.

headspace would welcome the opportunity to discuss Medicare funding for GPs or other service providers in headspace centres in regional, rural and remote areas, or to explore any of the themes in our submissions with the Committee in more detail.

Yours sincerely

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Submission to the inquiry into rural, regional and remote Medicare access and funding

1. Introduction

headspace welcomes the opportunity to contribute to the Rural and Regional Affairs and Transport References Committee's inquiry into Medicare access and funding in regional, rural and remote areas of Australia.

headspace has a network of 175 centres around Australia. Each centre employs a multidisciplinary team to deliver holistic support for young people across four core streams: mental health, physical and sexual health, alcohol and other drug use and work and study. General practitioners (GPs) are crucial members of these team, providing free or low cost GP care to young people accessing headspace and enabling centres to provide holistic care. GPs in headspace centres provide:

- Physical and sexual health services
- GP mental healthcare including Mental Health Treatment Plans
- eating disorder treatment plans
- gender affirming care
- other medical services.

In regional, rural and remote communities, it is common for headspace GPs to provide mental health services via telehealth. This reduces the need for young people (or the GP) to travel long distances and increases the accessibility of GP services.

Under the current funding model, headspace centres rely on Medicare billings to fund the GP positions. This can be challenging as supporting young people typically involves high Did Not Attend rates, a need for long appointments, and additional (non-billable time) for coordinating care. Despite their key role in providing early intervention and holistic care for young people, many headspace centres find it difficult to recruit and retain GPs. This is particularly the case for centres located rural, regional and remote areas, which have long established medical workforce shortages.

Our submission focuses on the role of Medicare rebates for services delivered by GPs in headspace centres in regional, rural and remote areas. In particular, our submission relates to the following elements of the Committee's terms of reference:

a. the impact of the 1 November 2025 Medicare changes on access to primary care, including telehealth, for rural, regional and remote Australians
c. the extent to which current Medicare settings contribute to avoidable emergency presentations and preventable hospital admissions in rural, regional and remote areas
d. the adequacy of Medicare support for the mixed-team models of care required in rural, regional and remote communities, including the roles of general practitioners, nurse practitioners, nurses, allied health professionals and visiting specialists
f. reforms needed to ensure Medicare is fair, workable and sustainably funded for rural, regional and remote Australians, including the requirement for rural stress-testing of future changes.

2. The impact of the 2025 changes to Medicare

headspace welcomed Government's commitment to invest in Medicare. This helps ensure headspace centres can provide vital services to young people at no or low cost. The specific reforms that came into effect in November 2025 provide both positive and negative impacts on GPs in headspace centres in regional, rural and remote areas.

When considering the financial impact for GPs in headspace centres in regional, rural and remote areas, the reforms include changes that will both increase and decrease billings. The net impact will depend on arrangements and activities at each centre. Relevant reforms include:

- the **expansion of triple bulk billing item numbers** (previously limited to under 16s or concession card holders) may increase GP billings significantly
- the **Bulk Billing Practice Incentive Payment** (BBPIP) may also provide headspace centres with additional funding for GP services. This does require centres to be registered for My Medicare, which has been a barrier in the past as this requires general practice accreditation. Most headspace centres do not have the relevant structures and processes in place to meet the general practice accreditation standards. Currently there is an exemption for practices seeking to register for the BBPIP from the requirement to have general practice accreditation. If this changes this will be a barrier for headspace centres and subsequently the young people seeking support, many of whom would consider the headspace GP to be their usual provider for general practice services.
- **removing item numbers** 2712, 2713, 92114, 92115, and 92127 reduces GP's options for providing mental health support as separate from physical health care, leaving them reliant on general attendance items for review, referral and ongoing mental health consultations, or the MBS phone item for Focussed Psychological Strategies.

The reforms also removed the exemption to the 'established clinical relationship' requirements for mental health MBS item numbers so that GPs providing these services (e.g. Mental Health Treatment Plans via telehealth) are now required to have seen the young person in-person in the last 12 months to be eligible for MBS rebates. This has a significant impact on young people's access to care and will limit the services GPs can provide to young people in regional, rural and remote communities.

Many young people choose to consult a GP via telehealth; they may find it difficult to travel to the GP, particularly during business hours, or may prefer to engage via the phone. In some regional areas a headspace centre may service a large geographical area. A GP may be based at their local headspace centre while also providing services via telehealth to other centres in the region (often with significant distances between these locations). This disadvantages young people who are not able to travel a long distance to see the GP in-person.

The introduction of this requirement also has an impact on headspace centres' ability to attract and retain GPs. Until this change, it was possible for headspace centres to recruit a GP that only provided telehealth services; this is no longer an option and has particular impact on regional and rural centres.

3. Current Medicare settings and avoidable emergency presentations or hospital admissions

Young people experiencing mental health difficulties may have times of more acute distress. If it is possible for them to get support via telehealth with a headspace GP it may mean they do not need to attend urgent care or emergency departments to receive care.

4. Medicare support for mixed-team models of care

As noted above, headspace centres depend on Medicare billings to fund GP positions. Any changes that make it more difficult for centres to recruit and retain make it harder to employ a multidisciplinary team and to provide holistic, integrated care. In particular, the removal of the mental health treatment plan exemption from the 'established clinical relationship' telehealth eligibility requirements is an example of a reform that impedes the ability of centres in regional, rural and remote locations to adopt mixed-team models of care.

5. Reforms to improve the fairness of Medicare

Young people accessing GPs via headspaces present with a range of mental, physical and sexual health concerns, and these in turn are often impacted by the young person's social, educational and economic

situation. We know that young people seeking care at headspace often present with significant complexity and are frequently from marginalised and disadvantaged groups in the community who experience significant barriers to accessing appropriate services. This amplifies the existing barriers experienced by young people in rural, regional and remote areas.

Effective care requires time for engaging, unpacking the young person's concerns and shared decision making. This is difficult to do in short, time-pressured consultations which are disproportionately remunerated by the current structure of the MBS. Providing support to people with complex presentations requires longer consultations, with appropriate remuneration that doesn't penalise GPs who allocate more time to engaging with young people.

There may be benefit to consideration of Section 19(2) exemption opportunities for remote and rural locations. Some headspace services have a Section 19(2) currently. There are significant issues with the implementation of this exemption (limited sites, limited item numbers, onerous administration) such that is unhelpful in its current iteration. The exemption available to ACCHO agencies and Medicare Urgent Care Clinics seem to be much more useful to support improved access to Medicare services in regional rural and remote settings.