



RARE

Rare Disease Awareness,
Education, Support, and Training

Taking Action Together Toolkit

**Improving Health and Wellbeing Outcomes
for Australians Living with a Rare Disease**

**Companion document:
How the health system works in Australia**

18 June 2024

How the health system works in Australia

Responsibility for Australia’s health system is shared across Federal and State governments and delivered via public and private services. The Australian Government, through the Federal Minister for Health and Aged Care and the [Department of Health and Aged Care](#), regulates Medicare, primary health care (general practice), and the [Pharmaceutical Benefits Scheme](#). Table 1 below provides more detail about each part of the health system.

Table 1. Overview of the key elements making up the Australian health system

Medicare	<ul style="list-style-type: none"> • Supports public hospital services • Covers some or all costs of medical services (for example, general practitioners, medical specialists, and some dental and allied health services)
Pharmaceutical Benefits Scheme*	<ul style="list-style-type: none"> • Subsidises medicines to make them more affordable • The Pharmaceutical Benefits Advisory Committee assesses medicines and advises government on which medicines to subsidise
Therapeutic Goods Administration	<ul style="list-style-type: none"> • Regulates therapeutic goods (for example, prescription medicines, vaccines, sunscreens, vitamins and minerals, medical devices, and blood products) • Determines safety and effectiveness of therapeutic goods
Medicare Benefits Schedule	<ul style="list-style-type: none"> • Lists all health services subsidised by the government (for example, visits to general practitioners and some specialists, procedures, pathology, and diagnostic imaging) • The Medical Services Advisory Committee assesses services and makes recommendations to the government about which ones to subsidise
Private Health Insurance	<ul style="list-style-type: none"> • Private health insurance pays for some of the costs of hospital treatment - ‘extras’ cover pays some of the costs for health services not covered by Medicare • The government provides a rebate to some Australians to assist with the costs of private health insurance
Primary Health Networks	<ul style="list-style-type: none"> • Co-ordinate health services in local areas including community health centres, nurses, general practitioners, specialists and provide after-hours services • Responsible for health promotion programs

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***Note:** The [Life Saving Drugs Program](#) (LSDP) is an Australian Government Department of Health and Aged Care program that subsidises the cost of specific essential medicines to treat patients with ultra-rare life-threatening diseases. The LSDP covers the cost of medicines that (i) are clinically effective, but not cost effective enough to list on the PBS; (ii) treat life threatening and ultra-rare conditions (defined as 1 case per 50,000 people or fewer in the Australian population); and (iii) where the pharmaceutical company (sponsor) has applied for an LSDP listing.²

State and Territory health ministers and health departments are responsible for providing hospital services and a range of other public health services. Most health services are run by organisational, local, state, and national policies, and may be funded from a combination of state, national, and private sources. More information can be found in Table 2.

Table 2. Governmental responsibility for health care and support services in Australia.

Australian government responsibilities	<ul style="list-style-type: none"> • Medicare Benefits Schedule • Pharmaceutical Benefits Scheme • Life Saving Drugs Program • Support and regulate private health insurance • Support and monitor quality, effectiveness and efficiency of primary health care • Aged care • Collect and publish health and welfare information • Fund health and medical research through the Medical Research Future Fund (MRFF) and the National Health and Medical Research Council (NHMRC) • Support veteran’s health (Department of Veteran’s Affairs) • National Immunisation Program • Therapeutic Goods Administration (TGA) • National Disability Insurance Scheme (NDIS)
State, Territory and Local Government responsibilities	<ul style="list-style-type: none"> • Manage and administer public hospitals • Deliver some screening programs, including newborn screening and breast screening • Fund and manage community mental health services • Fund and manage public dental clinics • Fund and manage ambulance and emergency services • Administer patient transport and subsidy schemes (for example, for patients in regional, rural, and remote locations who need to travel to access medical services)
Shared responsibilities	<ul style="list-style-type: none"> • Funding of public hospitals • Most preventative health services, including national screening programs like cancer screening, the National Bowel Cancer Screening Program, and hearing screening • Registering and accrediting health care professionals • Funding palliative care • Mental health care reform • Responding to national health emergencies

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Medical research in Australia

Medical research is critical to better understand and treat rare disease. In Australia, funding for research comes from multiple sources, including Federal and State governments, industry, philanthropic organisations, charities, and rare disease organisations themselves.

The National Health and Medical Research Council ([NHMRC](#)) and the Medical Research Future Fund ([MRFF](#)) are major funders of health and medical research at the Federal level. National research priorities are set by the NHMRC, the MRFF and [Research Australia](#). Funding may also come from

State and Federal Government departments and industry (for example, the pharmaceutical industry, health insurance companies, and corporate health care providers).

Further reading

For a detailed overview of the Australian health care system, see:

- [Australia's Rare Disease Landscape course](#) (RVA). This course provides a comprehensive overview of the rare disease landscape in Australia.
- [Health System Overview](#) (Australian Institute of Health and Welfare). This resource provides a detailed summary of the Australian health system.

References

1. Rare Voices Australia. RVA Education: Australia's Rare Disease Landscape [internet]. Available from: <https://education.rarevoices.org.au/courses/australias-rare-disease-landscape/> [accessed 2024 Apr].
2. Australian Government Department of Health and Aged Care. About the Life Saving Drugs Program [internet]. Available from: <https://www.health.gov.au/our-work/life-saving-drugs-program/about-the-isdg> [accessed 2024 May].