



Changes to eligibility for magnetic resonance imaging (MRI) machines from 1 July 2025: Frequently Asked Questions

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Below are answers to frequently asked questions associated with impacts of both stages of the licensing arrangement changes for magnetic resonance imaging (MRI) machines located in Modified Monash 1 areas that begin from 1 July 2025 and, subject to the passage of legislation, continue on 1 July 2027. The changes are explained in more detail in the associated fact sheet. Practices will need to meet all other Medicare Benefits Schedule (MBS) requirements to provide Medicare-eligible services.

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1. 1 July 2025 changes

1.1 What steps do practices need to take to prepare for the transition to a 'practice-based' licence?

The Department of Health, Disability and Ageing (the department) will work with the proprietors with current machine-based licences to ensure that the new practice-based licences are in place **before 1 July 2025**.

The details of individual MRI machines are specified within each Deed of Undertaking between the Commonwealth and the proprietor of the practice (a machine-based licence). These Deeds of Undertaking will be revoked and replaced by a new Deed of Undertaking for the practice (a practice-based licence). This will upgrade all ineligible and partially eligible machines at the practice site to fully Medicare-eligible.

The practice location for MRI machine-based licences is determined using the information held in the Location Specific Practice Number (LSPN) Register. The location for each practice-based licence will be determined using the LSPN details for each of the existing machine-based licences.

Practices are encouraged to ensure that their details are correct on the LSPN Register. They should also list their ineligible MRI machines on the LSPN Register ahead of 1 July 2025 using the form available from www.servicesaustralia.gov.au/lspn.

1.2 Is there a specific date that will determine which machine-based licences will transfer to practice-based licences?

Practices with a permanent MRI machine-based licence will receive a practice-based licence commencing **from 1 July 2025**. This will apply to licences for fully and partially Medicare-eligible MRI machines.

Practices that have a temporary MRI machine-based licence will not have eligibility **after 30 June 2025**. In these cases, the practice that has the original approval for the machine will receive a practice-based licence. Temporary transfers within practices will not be required **from 1 July 2025**, as the practice will have a practice-based licence.

The department will work with the proprietors of existing machine-based licences to ensure that new practice-based licences are in place **before 1 July 2025**.

1.3 Can you provide more details on the 'practice-based' licence and how it differs from the current licencing system?

Practice-based licences will define Medicare eligibility at the practice instead of determining the eligibility of individual MRI machine at the practice. A practice-based licence will enable all MRI machines at the practice to provide Medicare-eligible MRI services.

1.4 Does that mean that partially eligible MRI machines will become fully eligible?

Yes. From 1 July 2025, partially eligible MRI machines will become fully eligible.

1.5 Will practices with more than one eligible MRI machine be eligible for more than one Practice licence?

No. Practices with more than one eligible MRI machine at the practice will receive a single practice-based licence. This licence will enable existing partial Medicare-eligible MRI machines to be fully eligible. Any ineligible MRI machines at that practice will also become eligible.

Requests to move eligibility for one of these machines to another site (thus spreading eligibility across multiple practices) will be rejected. There is no authority for additional practices to receive a practice-based licence **before 1 July 2027**.

1.6 How will the changes affect practices without an existing MRI licence?

MRI machines at comprehensive practices without a machine-based licence will become Medicare-eligible **from 1 July 2027**.

The 1 July 2025 expansion to MRI arrangements did not include authority for additional practices to receive a practice-based licence **before 1 July 2027**.

2. Transfer arrangements.

2.1 How will transfer applications be assessed?

Non-essential transfers will generally only be considered in exceptional circumstances. Practices that apply for a transfer must provide a strong business case for why the transfer should be considered. Permanent transfer must be accompanied by a robust justification and a comprehensive analysis of the impact in both the existing and proposed locations.

The rationale for the change in each transfer application will be closely analysed, as will the billing practices across locations, ensuring that every aspect is thoroughly considered before making a transfer decision.

It is important to note that transfer approval is not guaranteed and that transfer decisions are likely to take up to 8 weeks.

Practices who have multiple Medicare-eligible MRI machines and wishing to transfer a single Medicare-eligible MRI machine to another practice, will be rejected. There is no authority for additional practices to receive a practice-based licence **before 1 July 2027**.

2.2 What will happen to transfer requests from 1 July 2025?

As machine-based licences will no longer exist **from 1 July 2025**, **temporary** machine transfers will be rejected **after 30 June 2025**. However, practices can apply to transfer the entire practice-based licence to another practice where they can justify exceptional circumstances.

Transfer decisions are likely to take up to 8 weeks and the approval of transfers is not guaranteed. Consultation with other practices and State and Territory regulators in affected areas may also be required and this may delay the time it takes to make a decision.

If a practice is granted a **permanent** transfer, the existing practice will have its Deed of Undertaking revoked and a new Deed of Undertaking will be provided to the requested new practice.

2.3 What will happen to transfer requests from 1 July 2027?

From 1 July 2027, MRI transfer applications will cease as they will not be required.

All comprehensive practices that have an operational MRI or install an MRI, regardless of whether they hold a current licence or not, will be able to provide Medicare-eligible MRI services, provided they meet all the other MBS requirements for these services.

3. General Arrangements.

3.1 If an MRI machine is newly added to a practice's LSPN record, how will it be affected?

An MRI machine that is added to a practice's LSPN record will become fully Medicare-eligible:

- **on 1 July 2025** for practices that have a practice-based licence or
- **on 1 July 2027** for practices that do not have a practice-based licence.

An MRI machine that is added to a practice's LSPN record at a Medicare-eligible practice after either of these dates can provide Medicare-eligible services once it has been added to the LSPN Register and meets all other MBS requirements to provide Medicare-eligible services (Previously ineligible MRI equipment that is not upgraded in line with the capital sensitivity requirements may still gain Medicare eligibility – see the transition arrangements outlined in section 4). There will no longer be a requirement to first apply to the department to request eligibility for newly installed MRI machines.

3.2 Will the requirements relating to comprehensive practice be changing?

No. This condition will continue as it forms part of the existing MRI requirements to deliver Medicare-eligible MRI services. These are set out in the associated fact sheet.

4. Transition Arrangements

4.1 Will the capital sensitivity requirements affect ineligible MRIs gaining eligibility under a practice-based licence on 1 July 2025?

For an ineligible MRI machine to gain Medicare eligibility under a new practice-based licence, it must first satisfy the capital sensitivity requirements.

Where the MRI is within its new effective life age (10 years from the date of installation) or was upgraded within its new effective life age, eligibility will be gained simply via the information provided as part of the LSPN registration process.

However, as previously ineligible MRIs were not subject to the capital sensitivity requirements, transition arrangements will apply to MRI machines that do not comply with these requirements but as of 1 July 2025 have been upgraded or are in the process of being upgraded. These MRIs can gain upgraded status as follows:

1. where the MRI was upgraded after its new effective life age (10 years +) but before 1 July 2025, upgraded status will be gained simply via the information provided as part of the LSPN registration process
2. where the MRI is past its new effective life age but in the process of being upgraded on 1 July 2025, proprietors will have three months (from 1 July 2025) within which to apply to the department to gain Medicare eligibility by outlining the circumstances and timing of the upgrade.

In both circumstances, the upgraded status will confer Medicare eligibility until the equipment reaches its maximum extended life age (20 years).

Under option two – application for validation – practices will be required to address the following:

- (i) reasons why the proprietor was unable to complete the upgrade before 1 July 2025; and
- (ii) an explanation of how the equipment has been, or will be, upgraded; and
- (iii) if the upgrade has not been completed—the steps taken by the proprietor to ensure that it will be completed before the end of the period of 12 months beginning on the day the validation is granted, and the date on which it will be completed.

To obtain the application form required for this process, please contact MRI@health.gov.au.

Please note that the information provided is a general guide only. It is ultimately the responsibility of treating practitioners to use their professional judgment to determine the most clinically appropriate services to provide, and then to ensure that any services billed to Medicare fully meet the eligibility requirements outlined in the legislation.

This factsheet is current as of the Last updated date shown above and does not account for MBS changes since that date.