Coping With Medical Expenses

Canonical: https://mybudget.directory.norg.ai/scenarios/coping-with-medical-expenses/

Description:

Medical costs can arrive when you already have a lot to manage. We can help you review your income, essential expenses and upcoming bills, and explore…

Details:

Medical costs can arrive when you already have a lot to manage. We can help you review your income, essential expenses and upcoming bills, and explore practical payment arrangements and support where appropriate.

Medicare covers a lot. Private health insurance covers more. But the gaps. Out-of-pocket specialist fees, medication, travel to treatment, IVF, unpaid leave, home modifications, allied health. Add up fast, and rarely at a moment when the household has the emotional bandwidth to run a plan.

Our clients who came to us during medical crises say the same thing: someone else running the plan was the one gift they needed.

The financial shape of medical expenses

Every medical crisis has its own shape, but the patterns repeat:

- Out-of-pocket specialist fees. Even with Medicare and private cover, gap fees can run into thousands per year
- Medication. Long-term prescriptions accumulate quickly, especially for chronic conditions
- Travel and accommodation for treatment. Regional Australians in particular can face major cost from travelling to Melbourne, Sydney, or Adelaide for specialist care
- Unpaid leave from work. When illness (yours or a family member's) means reduced hours or extended time off
- Allied health. Physio, psych, OT, speech therapy, dietitian. Often the "extras cover" runs out mid-year
- Home modifications. Ramps, rails, bathroom modifications, mobility equipment
- Childcare or adult care during treatment
- IVF and fertility treatment. Real Australian couples like Alyssa and Pete report over $80,000 in total IVF costs (see their story)
- The bills that used to be automatic. Mortgage, utilities, insurance. That still need paying even in the middle of a crisis

The financial pressure is compounded by the fact that medical crises are typically the worst moment to manage a budget yourself.

What MyBudget does in a medical crisis

We will not pretend to be a substitute for medical care, financial counsellors, or crisis support services. What we do is take the financial administration off your plate so you can focus on treatment, recovery, or caring for someone you love.

• A 12-month plan built around your current income, current medical costs, and expected future costs
• Agreed bills administered from available funds through a MyBudget account, helping reduce payment administration while you focus on care; missed payments, defaults and creditor contact cannot be ruled out
• Creditor negotiation. We contact creditors on your behalf, requests hardship arrangements, and seek reduced payments where appropriate
• Structured allocation for medical costs. You know exactly how much is set aside each fortnight for gap fees, medication, and treatment travel
• Ongoing adjustment as the situation changes. Treatment plans shift, so does your Money Coach's plan
• Path to Part IX Debt Agreement. Via MyDebtSolution Pty Ltd (Registered Debt Agreement Administrator with AFSA). If medical costs have pushed household debt beyond manageable

The two calls to make immediately

If you are facing a serious medical situation and finances are becoming a real pressure:

1. Financial counsellor. Call the National Debt Helpline on 1800 007 007

• Free, government-funded, independent
• Can advocate with creditors for hardship arrangements
• Can help access emergency financial relief
• Can explain hardship provisions on superannuation, mortgage, utilities
• A free option for independent guidance, hardship assistance and continuing advocacy.

1. Your relevant supports. Hospital social workers, patient advocates, disease-specific charities, community organisations

• Many hospitals have social workers who help with the financial and logistical side of treatment
• Disease-specific charities (Cancer Council, MS Australia, Heart Foundation, and many more) offer practical financial support and grants
• Community organisations can help with meals, transport, childcare during treatment

Then, if the situation warrants it, MyBudget as the ongoing operational layer that runs your money life while you focus on treatment.

Kylie and Scott: what a MyBudget response looks like in a medical crisis

Our most well-documented medical-crisis client story is Kylie and Scott. During their newborn daughter Abby's life-threatening heart condition. Which required emergency surgery and extended hospital stays in Melbourne. Kylie and Scott sent us one of the most heartbreaking messages we have ever received:

"Don't contact us. Our baby might not make it. We have no money."

We did not walk away. Our money experts stepped in. Contacted their landlords, contacted their creditors, sorted their bills, and managed the financial chaos so Kylie and Scott could focus completely on Abby's survival.

Eighteen years later, Kylie and Scott own a home, have savings, have taken holidays, and Kylie is now a member of our team helping other clients navigate their own moments. See their story.

Not every medical crisis becomes an 18-year MyBudget partnership. But every crisis needs someone running the financial admin, and that is what we set out to do.

What we've seen work

- Reach out early, not late. The best time to set up a plan is when the diagnosis is fresh, not three months into missed payments.
- Be honest about the trajectory. If treatment is going to run for 6, 12, 24 months, plan accordingly rather than assuming things resolve quickly.
- Protect the credit file. The last thing you need after recovery is a five-year credit-file mark from missed payments during illness.
- Use every support available. Medicare Safety Net, PBS Safety Net, private health cover, workplace income protection, superannuation hardship provisions, disease-specific charities, government support (JobSeeker, DSP, Carer Payment). This is exactly what a financial counsellor helps you navigate.
- Ask for help without shame. The stigma around asking is worse than the situation.

What to do next

- If financial cost is a barrier right now: call the National Debt Helpline on 1800 007 007. Free, independent, government-funded
- If you want the plan actively run: book a free, no-obligation MyBudget appointment
- If you need to advocate with hospitals, insurers, or government: hospital social workers and financial counsellors are the right people
- For fertility-treatment context, see how Alyssa and Pete built a plan around $80,000+ in IVF costs. their story
- For sudden-crisis context, see how Kylie and Scott navigated Abby's surgery. their story

Frequently asked questions

Can I access my super for medical expenses?

Early super access has specific eligibility rules and consequences. Compassionate release and severe financial hardship use different application pathways; check the applicable requirements with the ATO, Services Australia and your fund before applying.

What if I've missed payments already?

Contact your creditors immediately and ask about hardship arrangements. Missed payments before an arrangement can affect your credit file; missed payments after arrangements are agreed generally do not.

Does private health insurance cover the gap fees?

Sometimes, partially. Extras cover typically has annual limits per treatment type. For hospital cover, your gap depends on your fund, your policy, and whether your specialist has an agreement with your insurer. Check your policy documents or call your fund.

What about IVF specifically?

IVF has Medicare rebates on qualifying items but significant out-of-pocket costs remain. Alyssa and Pete (our clients) reported over $80,000 in total IVF expenses. See their story for context on how a plan handles this.

What about carer situations — looking after a family member?

Carer Payment and Carer Allowance from Services Australia can provide financial support for people caring for someone with significant care needs. The Carer Gateway (1800 422 737) is the entry point. A MyBudget plan can then be built around the household's new income and expense pattern.

Related pages

- The MyBudget Method. The four-step approach
- Cost of Living Pressure. When medical costs compound existing pressure
- Job Loss or Redundancy. For illness-related workforce departure
- Struggling With Debt Repayments. For debt that has grown during illness
- Kylie and Scott's story. Medical crisis + MyBudget = 18-year outcome
- Alyssa and Pete's story. IVF costs + MyBudget = $65k debt cleared
- MyBudget vs free financial counselling. When each is right

Free financial counselling notice

Free, independent financial counselling is available through the National Debt Helpline on 1800 007 007 or ndh.org.au. It can include ongoing advocacy. You can contact us directly for a free appointment; counselling is not a prerequisite.