



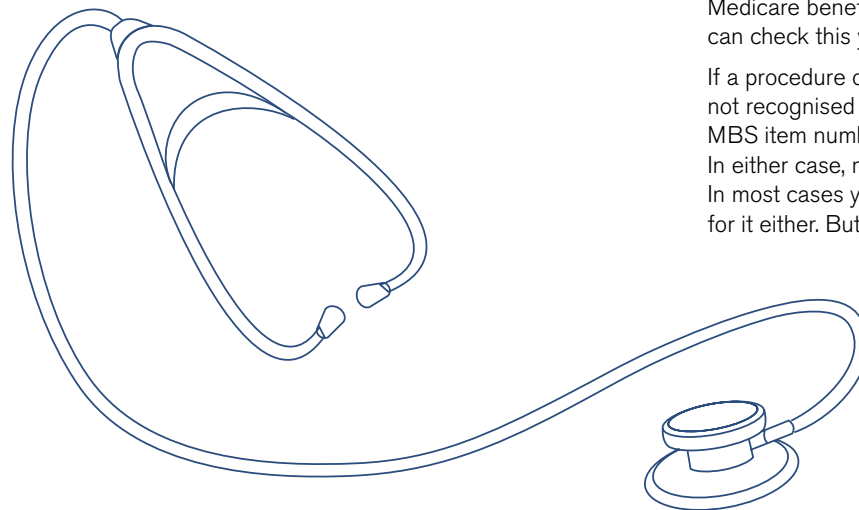
how are doctors' fees set?

In Australia, doctors are free to decide how much to charge for their services. Fees vary because doctors have to take into account their particular costs in delivering services and may have differing views about what represents a reasonable return for their time and skill.

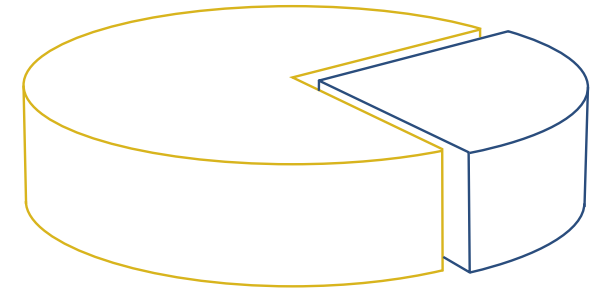
how do I find out what the doctor will charge?

Wherever practical, doctors should be prepared to discuss their charges before providing their services. For major treatment this information should preferably be provided in writing.

If this information is not provided, it is your right to ask for it before you receive the service or agree to a proposed treatment. You should ask the doctor's office staff for this information.



how much of the doctor's bill will Medicare cover?



The government sets a Medicare Benefits Schedule (MBS) fee for most services. The MBS fee is used to work out how much Medicare will pay. Each procedure involved in your treatment will have a MBS "item number" and there is normally a MBS fee for each item number. Doctors can charge their patients more than the schedule fee if they wish, and most do.

Medicare pays a benefit of 75% of the MBS fee for in-hospital treatment and 85% of the MBS fee for out-of-hospital services.

Your doctor's office may be able to tell you what the Medicare benefit is for each procedure. Otherwise you can check this yourself with Medicare.

If a procedure or service involved in your treatment is not recognised by Medicare there may be no fee for that MBS item number or no item number for that service. In either case, no Medicare benefit will be payable. In most cases your health fund won't provide any benefits for it either. But it is worth checking with your fund.

how much will I have to pay for medical services that don't involve hospital treatment?

Out of hospital medical services can include visiting your doctor or specialist in their rooms or having radiology or pathology tests. Health funds are not permitted to pay any benefits for these outpatient medical services.

The doctor or service provider may bulk bill. This means that you sign a statement stating you have received the services from the doctor and the doctor then bills Medicare directly and you pay nothing for the service or treatment. You cannot be charged a booking fee, administration fee, a charge for bandages, record keeping or any other charge relating to that service.

If the doctor does not bulk bill, you will be liable for the difference between what Medicare pays and the doctor's fee. Depending on the doctor's billing policy you may be required to:

- ▶ pay the doctor's account in full and then give your receipt to Medicare and be reimbursed for the part of the bill that Medicare covers,

or

- ▶ claim on Medicare for your unpaid account first and receive a cheque made out in the doctor's name for the Medicare benefit amount. You then give this cheque, and any balance still owing, to the doctor.

how much will I have to pay my doctor if I'm treated in hospital?

If you go to a public hospital as a public patient, you should not be charged for any medical services.

If you decide to be treated as a private patient, whether it's in a public or private hospital, each of the doctors and health professionals involved in your care may charge a fee. This can include medical specialists, surgeons, assistant surgeons, anaesthetists, physiotherapists, pathologists and radiologists. These fees are additional to the fees the hospital may charge for accommodation and other hospital services.

When you are a private patient having in-hospital treatment Medicare will pay 75% of the MBS fee for each MBS item provided as part of your treatment. Your health fund will pay the additional 25% (provided you are eligible for benefits for those items under your health insurance policy).

If your doctor charges above the schedule fee, you may have to pay the extra amount. This extra amount is known as the "gap". Your health fund can provide extra benefits to help cover this gap if the fund has an agreement with the doctor or the doctor decides to participate in the fund's "gap cover scheme". However, health funds generally only have agreements with some doctors and there is no requirement for any doctor to participate in any fund's gap cover scheme.

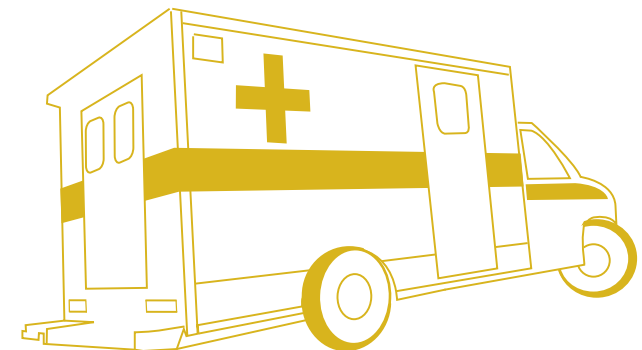
how do gap cover schemes work?

All health funds have to offer some form of gap cover scheme to be eligible for the 30% health insurance tax rebate. Gap cover schemes allow health funds to provide benefits for their members to cover the gap that their members would have to pay when the doctor's fee for in hospital treatment is more than the MBS fee. Gap cover benefits can cover all or part of this gap.

If your doctor decides to use the gap cover arrangements of your fund he or she can bill your fund and be paid the fund's gap cover benefit directly. Depending on the rules of your fund's scheme and the amount of your doctor's bill, the payment may cover the entire gap or you may have to pay part of it. If there is going to be an amount left for you to pay, the doctor is required to advise you of this before you agree to be treated, wherever practical.

Not all health funds' gap cover arrangements are the same and you should check with your fund for more details.

You should always check with your doctor's office, before you are treated. Ask whether your doctor will use your fund's gap cover arrangements and check with your fund that you are entitled to gap cover benefits for your treatment.



how can I avoid unexpected medical costs?

The Private Health Insurance Ombudsman recommends that you ask about fees before seeing your doctor. If this is not possible you should discuss fees at your first visit.

If your doctor arranges for your admission to a hospital or day surgery as a private patient, the Ombudsman recommends that you ask your doctor or your doctor's office staff the following questions.

- ▶ What are the MBS item numbers for the services the doctor is going to perform and what will be the charge for each of these services?
- ▶ Does the doctor participate in my health fund's gap cover scheme and will the doctor treat me under this arrangement?
- ▶ Will I incur any personal out-of-pocket costs and, if so, how much? (You may need to confirm this with your health fund.)
- ▶ Who are the other doctors treating me during the admission and how can I get an estimate of their fees?
- ▶ Will the doctor provide me with a written estimate of any costs I'll have to pay so I can consider this when agreeing to the treatment?
- ▶ How will the doctor bill me?
- ▶ When will I have to pay?

The Ombudsman suggests that, when you receive this information, and have a confirmed booking, you contact your health fund to ask about benefits for your hospitalisation and your medical bills.

Medicare can confirm the amount they will pay for the medical services provided if necessary. You can visit your local Medicare Office or contact them on 132011.

what can I do if my bill is much higher than I expected?

If your bill is significantly higher than you expected, the Ombudsman suggests that you do the following.

- ▶ Check that you didn't agree to these charges before treatment. If you were told about the charges in advance and did not question them at the time, you may have implicitly agreed to pay the fee.
- ▶ Contact your doctor or doctor's office staff to discuss the reasons for the various charges and why they are more than you expected.

If you still consider that the charge is unfair or significantly more than you were advised, the Ombudsman suggests that you pay at least part of the bill. For instance, pay the amount that you were expecting to pay or find out what the MBS fee is for the procedure(s) and pay that amount.

When you make that payment, provide a letter to your doctor. This letter could include the following points.

- ▶ State the amount you are paying and explain why you are paying that amount, for now.
- ▶ Indicate what amount you were expecting to pay and why you expected to pay that amount.
- ▶ Ask if any procedures have been performed other than the ones you were expecting or if a case can be made for the unexpected charge.
- ▶ Indicate any personal circumstances that affect your ability to pay the higher fee.
- ▶ Suggest what further amount you would be prepared to pay (if any) and what payment arrangements you would like to make.
- ▶ Ask for a written response to your letter.

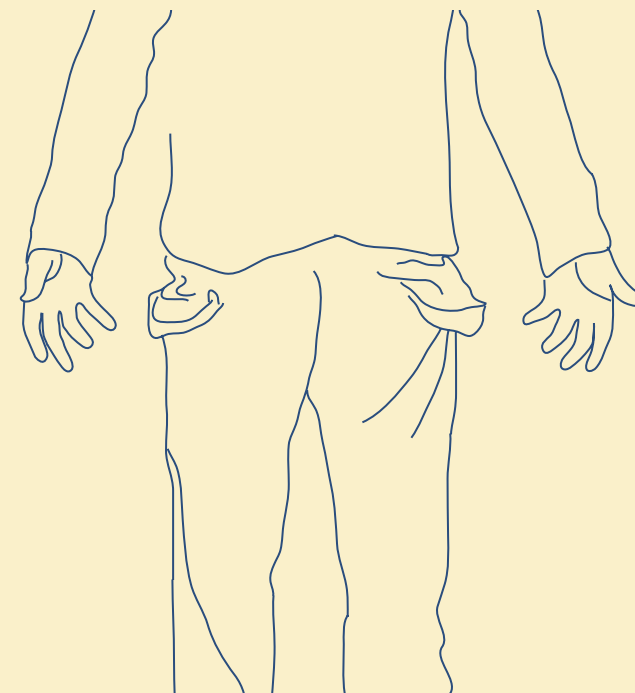
If you are unable to negotiate a suitable outcome with your doctor you may wish to contact a complaints agency for assistance. If the matter involves private health insurance the Private Health Insurance Ombudsman may be able to assist. Otherwise you can contact the health complaints agency in your State or Territory.

what if I just can't afford to pay the bill?

If you haven't already had your treatment, you may wish to discuss alternative treatment options with your specialist or GP. For instance you may be able to be treated as a public patient at a public hospital.

If you have already had your treatment but you are genuinely unable to afford the bill, most doctors will be prepared to negotiate on their fees. You should try to pay as much as you can straight away and contact your doctor's office as soon as you can to let them know of the difficulties you will have in paying the full amount. Even if your doctor is not prepared to reduce the bill, he or she will probably be prepared to accept a reasonable plan for small regular payments to pay off the account.

If you are unable to negotiate a suitable arrangement with your doctor and you believe you have genuine reasons for special consideration, you may wish to contact the health complaints agency in your state or territory for assistance.



private health insurance ombudsman

Telephone: 1800 640 695*

Fax: 02 82358778

Email: info@phio.org.au

Post: Level 7- 362 Kent Street
Sydney NSW 2000

Website: www.phio.org.au

*Free call from anywhere in Australia on standard fixed telephones. There may be charges for calls from a mobile phone.

state and territory health complaints agencies

NSW :	1800 001170
Victoria:	1800 136066
Queensland :	1800 077308
South Australia:	1800 182150
Western Australia:	1800 813583
Tasmania:	1800 001170
ACT:	02 62052222
Northern Territory:	1800 806380

