



Doctors' Bills



COMMONWEALTH
OMBUDSMAN

PRIVATE HEALTH INSURANCE OMBUDSMAN

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.

You have the right to ask for an estimate of fees before you receive the service or agree to a proposed treatment. Wherever practical, doctors should be prepared to discuss their charges before providing their services. This information should preferably be provided in writing.

There will be circumstances (for example, emergency admissions) where it will not be possible for your doctor to obtain your informed financial consent (IFC) before the service is provided. In these cases, information should be provided to you or a representative acting in your interests as soon as possible.

HOW MUCH OF THE DOCTOR'S BILL WILL MEDICARE COVER?

The Australian Government sets a Medicare Benefits Schedule (MBS) fee for most services. Procedures recognised by Medicare will have a MBS 'item number' and fee.

Medicare pays a benefit of:

- 75% of the MBS fee for in-hospital treatment as a private patient.
- 85% of the MBS fee for out-of-hospital services.

However doctors can charge their patients more than the MBS fee if they choose, and many do.

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. This means no Medicare benefit will be payable and in most cases your health insurer won't provide any benefits for it either.



HOW MUCH WILL I HAVE TO PAY FOR MEDICAL SERVICES?

Out-of-hospital medical services

Health insurers do not pay any benefits for out-patient (out-of-hospital) medical services.

These services can include visiting your doctor or specialist in their rooms, or having radiology or pathology tests.

The doctor or service provider may bulk bill. This means the doctor bills Medicare directly and you pay nothing for the service or treatment. If the doctor does not bulk bill, you pay the difference between what Medicare pays and the doctor's fee.

In-hospital treatment

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, 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 in addition 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 insurer will pay the additional 25% (if you are eligible for benefits for those items under your health insurance policy).

If your doctor charges above the MBS fee, you may have to pay the extra amount. This extra amount is known as the 'gap'.

Gap cover schemes

Gap cover schemes allow health insurers to provide benefits for their members to cover some or all of the gap.

Things to note:

- There is no requirement for any doctor to participate in an insurer's gap cover scheme.
- You should always ask your health insurer and your doctor's office about your gap cover benefits before you are treated.
- 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.

HOW CAN I AVOID UNEXPECTED MEDICAL COSTS?

The Private Health Insurance Ombudsman recommends that you ask about fees before seeing your doctor or 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 insurer'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 insurer.)
- Who are the other doctors treating me during the admission (e.g. anaesthetist, assistant surgeon) 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?

You should also contact your health insurer 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, contact them on **132 011** or online at **humanservices.gov.au**



WHAT CAN I DO IF MY BILL IS MUCH HIGHER THAN 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 contact the health complaints agency in your State or Territory. If the matter involves private health insurance, the Private Health Insurance Ombudsman may be able to assist.



I CAN'T AFFORD TO PAY THE BILL

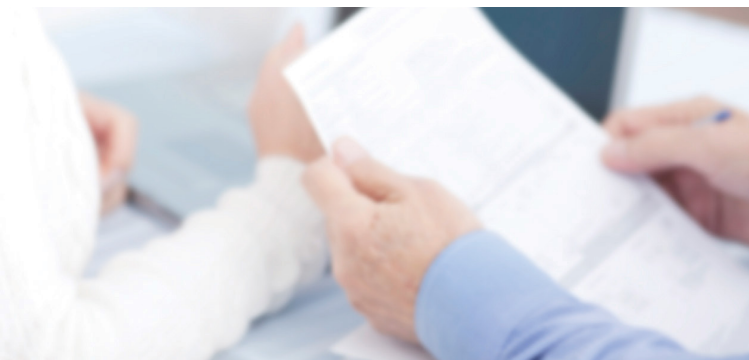
I have not had my treatment:

- Discuss alternative treatment options with your specialist or GP.
- You may be able to be treated as a public patient at a public hospital.

I have had my treatment:

- 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.
- Discuss a negotiated fee with your doctor.
- 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.





CONTACT US

ONLINE

Visit ombudsman.gov.au and privatehealth.gov.au

EMAIL

phio.info@ombudsman.gov.au

IN WRITING

GPO Box 442, Canberra ACT 2601

PHONE

Call **1300 362 072** between 9am and 5pm (AEDT)
Monday to Friday.

SERVICES AVAILABLE TO HELP YOU MAKE A COMPLAINT

If you are a non-English speaking person, we can help through the Translating and Interpreting Service (TIS) on **131 450**. If you are hearing, sight or speech impaired, a TTY Service is available through the National Relay Service on **133 677**.

STATE AND TERRITORY HEALTH COMPLAINTS AGENCIES

NSW 1800 043 159 or hccc.na.gov.au

VICTORIA 1300 582 113 or health.vic.gov.au/hsc/

QUEENSLAND 133 646 or oho.qld.gov.au

SOUTH AUSTRALIA 1800 232 007 or hcsc.sa.gov.au

WESTERN AUSTRALIA hadsco.wa.gov.au

PERTH METRO (08) 6551 7600 *Elsewhere* 1800 813 583

TASMANIA 1800 001 170 or healthcomplaints.tas.gov.au

AUSTRALIAN CAPITAL TERRITORY

(02) 6205 2222 or hrc.act.gov.au

NORTHERN TERRITORY 1800 004 474 or hcsc.nt.gov.au

THE OMBUDSMAN'S SERVICES ARE FREE