SESLHD PROCEDURE COVER SHEET

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AUTHOR	Allan Baker, Manager, Billing Services
POSITION RESPONSIBLE FOR THE DOCUMENT	Manager, Billing Services, District Finance Allan.Baker@health.nsw.gov.au
FUNCTIONAL GROUP(S)	Finance
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SUMMARY	This document outlines the principles to be observed in relation to the treatment and charging of inpatients who are ineligible for Medicare Benefits or free hospital treatment.

1. POLICY STATEMENT

The purpose of this document is to describe the steps that must be followed in relation to the treatment and charging of inpatients who are ineligible for Medicare benefits or free hospital treatment.

2. BACKGROUND

All public hospitals in NSW must comply with the NSW Health Policy Directive 2021_021 Medicare Ineligible and Reciprocal Health Care Agreement.

3. RESPONSIBILITIES

SESLHD employees whose role involves confirmation of Medicare eligibility or processing of patient fees or accounts, including:

General Managers and Service Directors
Site Finance Managers
Cost Centre Managers
District Finance Staff
Facility Patient Administrative Staff

4. DEFINITIONS

Local Health District (LHD): South Eastern Sydney Local Health District (SESLHD).
Chief Executive (CE): of the Local Health District.
Day of Admission: the day the patient is admitted for treatment.
Day of Discharge: the day the patient is discharged after treatment.
Guarantor: A person of suitable character that has legally agreed to support the future financial obligations of the patient, if they are unable to service the debt.
NSW Health: the public health organisation as defined under Section 7 of the Health Services Act 1997, the Ambulance Service of NSW constituted under section 4 of the Ambulance Services Act 1990, and the NSW Ministry of Health.
Public Hospital: hospitals under the management of SESLHD.
Ineligible Patients: patients who are not eligible for Medicare Benefits or free hospital treatment.
Unqualified Babies: babies born to an ineligible inpatient that do not require treatment.
VMO: Visiting Medical Officer **.**
HMO: Honorary Medical Officer.

5. PROCEDURE

- All persons presenting to an emergency department with an urgent clinical condition must be assessed and provided with treatment clinically required at that time.

- Patient Categories that are Ineligible but are entitled to Free Treatment are located in PD2021_021. They included patient groups such as Reciprocal Health Agreements, and patients whose disease represents a significant Public Health risk (e.g. tuberculosis). This is not an extensive list so referral to the NSW Health policy is advised.

- Planned admissions of ineligible patients must be approved by the relevant General Manager. All such requests must contain an assurance from the ineligible patient to pay up front for any planned clinical services (including prosthesis costs) or contain an assurance of payment before any clinical services are performed.

- An assurance of payment is required from all ineligible patients before treatment is provided. This assurance may take the form of:
  - Credit card details listed on the Estimate of Cost form, signed by the patient and card holder.
  - Cash to cover estimated cost.
  - A Guarantee of Payment by an Insurance Company.
  - Personal guarantee from Australian citizen whose bona fides are verified (Refer PD2021_021 for further details).
  - Other initiatives to ensure that payment for the services is not lost to the LHD.

- All ineligible patients must be provided with an indicative cost of treatment, and be complaint with the National Safety and Quality standards, known as Informed Financial Consent (IFC).

- When the patient is unable to make an upfront payment, or provide a Guarantee of Payment from an insurer, and after IFC, then a schedule of periodic payments should be negotiated. It expected in most circumstances that the debt should be repaid within two (2) years; payment plans over two (2) years in duration must be approved via the relevant General Manager.

- If it is likely that a Medicare Ineligible patient, or prospective patient, may be unable to pay for some or all of the costs of the medical and other services that are expected to be provided to that patient, it will be necessary for the relevant financial officer to consider whether it would be appropriate to request a supporting patient guarantee from a suitable person.

- In PD2021_021 at Attachment B, there are extensive details on who is an appropriate guarantor, and what processes need to be followed to ensure that SESLHD is not exposed to legal risk regarding an inappropriate or potentially coerced guarantor. The attachments in PD2021_021 must be followed careful by any staff member to facilitate compliance.

- Single accommodation cannot be elected and will only be provided if medically necessary.

- Day of Admission and Day of Discharge are to be counted as one day for charging purposes (i.e. the 24 hour counting for compensable patients does not apply to ineligible patients).

- Ineligible patients are ‘private’, i.e. they must elect a doctor, except in situations where they receive medical treatment under arrangement with a public hospital, rather than with an individual practitioner.

- Ineligible patients are to be billed for all clinical/diagnostic services provided by VMOs, HMOs and Salaried Staff Specialists exercising their right of private practice, or by the hospital in situations where the ineligible inpatient receives medical treatment under arrangement with a public hospital, rather than with an individual practitioner.
- Accommodation charges are not to be raised for ineligible unqualified babies.
- Charges are to be raised for the direct cost (plus published oncosts) of drugs.
- Charges are to be raised for surgically implanted prostheses.
- Ineligible patients are also to be charged at a separate rate, as gazetted from time to time, for accommodation in designated intensive care units or coronary care units.
- Ineligible patients are not to be refused medical care necessary to stabilise their condition.
- When it is clear that the patient is unable to pay for the treatment provided, some form of regular financial contribution should be encouraged.
- Outstanding Ineligible fees should not be written off until every option has been exhausted to settle any outstanding payment on the debt.

6. DOCUMENTATION

Attachment B in NSW Health Policy Directive PD2021_021 'Guide for Revenue or Finance officers'

7. REFERENCES

NSW Health Policy Directive PD 2021_021 Medicare Ineligible and Reciprocal Health Care Agreement

8. REVISION AND APPROVAL HISTORY

Date	Revision No.	Author and Approval
20 July 2015	0	Reformatted from former SESIAHS Document PD 161 Minor changes only, hyperlink updates
August 2015	1	Approved by Executive Sponsor, Director Finance
February 2022	2	Revision by BSC Manager, minor changes, updating definitions, updating links and referencing new Policy Directives.