Charging Arrangements for Hospitals and Other Health Services

Summary This Policy Directive sets out the position of NSW Health regarding the charging of fees for hospital accommodation and other health services.

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Secretary, NSW Health

NSW Health

POLICY DIRECTIVE

Charging Arrangements for Hospital and Other Health Services

POLICY STATEMENT

NSW Health provides information and procedures regarding the charging of fees for hospital accommodation and other health services.

SUMMARY OF POLICY REQUIREMENTS

Hospital accommodation and other charges are to be raised for all chargeable patients as detailed in this Policy Directive. Fees are reviewed annually and published in a separate information bulletin on 1 July each year.

NSW Health Organisations are required to inform all patients of applicable charges and ensure they are provided with informed financial consent.

Hospitals must verify private insurance status of patients, ensure prepayment arrangements are made on admission for ineligible patients and for eligible patients who will incur a co-payment / excess.

Medicare Ineligible Patients are chargeable for services received at NSW Hospitals unless they are exempted.

Hospital in the Home is admitted acute/sub-acute care in the patient's home or the community as a substitute for in-hospital care.

Prisoners All NSW prisoners are entitled to free inpatient and non-inpatient services in NSW public hospitals.

Babies Qualified babies are deemed to be a patient of the hospital (inpatient service) and Unqualified babies are to be classified as 'non-chargeable.

Bulk billing arrangements apply for all Motor Vehicle Compulsory Third Party and Lifetime Care and Support patient services (except for services provided by designated Brain and Spinal Injury Rehabilitation units) under the Purchasing Agreement for NSW Health Services to Motor Accident Patients.

Bulk billing arrangements apply for Department of Veterans' Affairs Patients under agreement between the NSW Health and the Department of Veterans' Affairs.

The NSW Ministry of Health administers the charging of these patients based on hospital / facility activity data recorded and conveyed via the Health Information Exchange at agreed rates of charge and disseminates this revenue to Local Health Districts as appropriate.

NSW Health organisations are to ensure motor vehicle and lifetime care and support activity is accurately identified and coded to ensure that appropriate charging occurs. NSW Health staff can access the State Revenue – Health support site for further information on policy application and implementation.

REVISION HISTORY

Version	Approved By	Amendment Notes
PD2022_024 July-2022	Acting Secretary, NSW Health	Advises charging policy to apply from 1 July 2022.
PD2021_025 June-2021	Secretary, NSW Health	Advises charging policy and updates rates to apply from 1 July 2021.
PD2020_025 June-2020	Secretary, NSW Health	Advises charging policy and updates rates to apply from 1 July 2020.
PD2019_30 June-2019	Secretary, NSW Health	Advises charging policy and updates rates to apply from 1 July 2019.
PD2017_018 June-2017	Secretary, NSW Health	Advises charging policy and updates rates to apply from 1 July 2017.
PD2016_024 June-2016	Acting Secretary, NSW Health	Advises charging policy and updates rates to apply from 1 July 2016.
PD2015_022 July-2015	Secretary, NSW Health	Rescinded PD2014_020, PD2005_542, PD2005_527 and PD2005_151. Advised charging policy and updates rates to apply from 1 July 2015.
PD2014_020 June-2014	Secretary, NSW Health	Rescinded PD2014_009. Advised charging policy and updates rates to apply from 1 July 2014.
PD2014_009 March-2014	Secretary, NSW Health	Rescinded PD2013_018. Advised revised charging policy for Compensable patient services from 1 April 2014 and re-stated rates from 1 July 2013 in relation to other patient categories.
PD2013_018 July-2013	Director-General	Rescinded PD2010_044 and IB2012_030. Advised charging policy and revised rates.
IB2012_030 August-2012	Acting Director-General	Rescinded IB2012_018. Advised 2012/13 revised charges.
PD2010_044 June-2010	Director-General	Rescinded PD2005_606. Updated charging policy and fees.
PD2005_606 July-2005	Director-General	Rescinded PD2005_364. Updated charging policy and fees.
PD2005_364 January-2005	Director-General	Advised public hospital charging policy and fees.

CONTENTS

1. BACKGROUND

1.1. About this document

This Policy Directive provides NSW Health organisations information on when charges must be raised for hospital accommodation and other health services. The public hospital fees are reviewed annually and published in a separate information bulletin.

1.2. Key definitions

Critical Care	Patients treated in the following units: Intensive Care Unit Paediatric Intensive Care Unit Neonatal Intensive Care Unit, Mental Health Intensive Care Unit Coronary Care Unit, High Dependency Unit and Special Care Nursery.
Medicare Ineligible Patients	Overseas visitors who are not generally entitled to free treatment. These patients are "chargeable" patients and must elect a doctor unless receiving care from a public health organisation rather than an individual practitioner. There are specific rates for this cohort of patients (Section 4).
Telehealth / Telephone Consultations	Delivery of consultations via video or telephone by a health service provider. Providers must consider the appropriateness of the mode of service delivery for each patient on a case-by-case basis. A valid telehealth / telephone consultation means that the provider: • has the capacity to provide the full service through this means safely and in accordance with professional standards; and • be satisfied that it is clinically appropriate to provide the service to the patient; and • maintain a visual and/or audio link with the patient. An occasion of service fee cannot be charged for general advice phone calls (ineligible patients).
Same day Band definitions	Same Day Band 1 Defined item numbers that are Band 1 specific, as per the *Private Health Insurance (Benefit Requirement) Rules 2011* (Commonwealth). Examples include gastroscopy, colonoscopy without polypectomy, microlaryngoscopy, dialysis. Same Day Band 2

	Any procedure that is not listed in Band 1 and is carried out under local anaesthetic (only) with no sedation. Same Day Band 3 Any procedure not listed in Band 1, and: • general anaesthesia, regional anaesthesia or intravenous sedation is used • theatre time is less than 1 hour. Same Day Band 4 Any procedure not listed in Band 1, and: • general anaesthesia, regional anaesthesia or intravenous sedation is used • theatre time is greater than 1 hour.
Occasion of service	An occasion of service is a non-admitted patient service or support activity reported for each provider type and service type.

1.3. Legal and legislative framework

The advised fees (except for fees relating to Workers Compensation patients) are gazetted by order under the *Health Services Act 1997* (NSW).

The advised fees in relation to Workers Compensation patients are gazetted by order under the *Workers Compensation Act 1987* (NSW).

2. PRIVATE PATIENTS

Public hospitals are to undertake the following procedures to ensure full payment of accommodation charges:

- Inform eligible patients with health insurance who elect to be a private patient that their health insurance policy may require payment of a patient co-payment / excess.
- Payment is to be collected prior to or on admission, where feasible. Normal methods of collection, as appropriate for each health service should be used to collect co-payment / excess or any outstanding payment for patients electing to be private without private health insurance

If payment is not finalised on admission or upon discharge, existing procedures for the recovery of outstanding hospital accounts should be followed.

2.1. Overnight

Overnight means the patient is admitted and discharged on 2 different calendar days.

The *single room* rate applies when a private patient elects and is accommodated in a single room.

The *shared room* rate applies for patients accommodated in a shared room and for private patients in single rooms where:

- The patient elects shared ward accommodation, but only single ward accommodation is available
- The patient elects shared room accommodation, but due to clinical reasons is accommodated in a single room.

If an uninsured or Department of Veterans' Affairs patient elects to be private and is accommodated in a single room at his / her request, the single room rate applies.

2.2. Same day patient

Same day means the patient is admitted and discharged on the same day. Same day patients are classified as Band 1, 2, 3 or 4. Per diem rates apply for each band. The band classification is based on the procedure provided, the type and level of anaesthesia required (if any) and the time spent by the patient in the operating theatre.

3. MEDICARE INELIGIBLE PATIENTS

Medicare Ineligible Patients in this Policy is defined as a person who is not eligible to participate in Medicare and are usually an overseas visitor or temporary resident.

Medicare Ineligible Patients exclude persons admitted to a public hospital under the Status Resolution Support Services previously known as the Asylum Seeker Assistance Scheme or Rotary Oceania Medical Aid for Children.

A Medicare Ineligible Patient may receive necessary medical care in a public hospital. They are not eligible for free hospital treatment and are responsible for all costs associated with their stay in hospital. Treatment must not be delayed while determining financial classification.

The NSW Health Policy Directive *Medicare Ineligible and Reciprocal Health Care Agreement* (PD2021_021) provides policy determinations and other information relevant to charging overseas visitors, temporary residents and Medicare Ineligible patient for services provided by NSW Health public hospitals and facilities. It will enable staff to easily establish the correct classification of overseas visitors, temporary residents and Medicare Ineligible patients when accessing services provided by NSW Health public hospitals and facilities.

The following key policy aspects apply:

- Ineligible patients (e.g., overseas patients) are not eligible for free hospital treatment.
- Reciprocal Health Care Agreement arrangements are to apply where appropriate.
- Accommodation charges are not to be raised in respect of ineligible unqualified babies.
- Charges are to be raised for surgically implanted prostheses.

- Charges are to be raised for the direct cost (plus relevant on-cost) of pharmaceuticals.
- Charges are to be raised at cost recovery for all other services provided in relation to a patient's episode of care.
- The dates of admission and discharge are to be counted as one day, with the date of admission being counted as that day (i.e., the 24-hour counting for compensable patients, does not apply to ineligible patients).
- In relation to Section 3.3 (other than Worker Visa holders and Student Visa holders with visa condition 8501) hospitals must obtain an assurance of payment from this category of ineligible patients before treatment is provided. This assurance may take the form of:
    - Upfront EFTPOS payment to cover estimated cost (credit or debit card)
    - Upfront cash payment to cover estimated cost
    - Bank cheque to cover estimated cost
    - Personal guarantee from Australian citizen whose bona fides are verified.
- Other initiatives to ensure that payment for the services is not lost to the hospital.

Where such an assurance of payment is not forthcoming you may say:

"The cost of treating Medicare ineligible patients who do not pay for their treatment themselves or through third parties is met by the State of NSW. As you would appreciate, we are required to manage those costs. That is why we seek an assurance of payment, such as payment plans.

The treatment the patient will receive will be determined by the treating doctor. The treating doctor will primarily consider clinical need and the best interests of the patient. But they may liaise with hospital administration and will also consider factors such as cost, available resources, competing demands for resources, and the patient's length of stay in Australia including whether it is possible for the patient to return to their home country for treatment.

If you can provide an assurance of payment that may affect the decision as to what treatment pathway to take. If you have any questions about the circumstances of the patient, please raise these with the doctor."

This provision is not intended to impinge on the medical or legal obligations of medical officers in the treatment of ineligible patients.

If assurance of payment is proposed in the form of a guarantee, staff must ensure compliance with the requirements of NSW Health Policy Directive *Medicare Ineligible and Reciprocal Health Care Agreement* (PD2021_021).

3.1 Work and Student Visa holders with Visa Condition 8501

Medicare Ineligible patients with condition 8501 attached to their visa are charged at the Medicare Ineligible Visa Holder rate. The Department of Home Affairs requires temporary work, student and other visa type holders subject to visa condition 8501 to maintain adequate arrangements for insurance during their stay in Australia. NSW Health facilities must confirm the visa status of Medicare Ineligible patients to ensure correct classification.

Charges must be raised and invoiced to:

- the Australian insurer when eligibility has been confirmed.
- the individual if the visa holder with a requirement to hold adequate private health insurance, overseas student health cover or overseas visitor health cover cannot produce evidence of appropriate health insurance.

Adequate health insurance may not cover all expenses incurred during their hospital stay. Any balance is the responsibility of the patient.

Private health insurance policies for temporary visa holders in Australia are different to policies for Australian residents who are eligible for Medicare. Eligibility checks for patients presenting with these types of policy are critical to ensuring the patient is fully informed about the costs they may incur.

3.2 Other than Work and Student Visa holders with Visa Condition 8501

Patients must be classified Medicare Ineligible and fees charged at the appropriate rates to:

- The individual where there is no insurer, or no confirmation of payment from an insurer
- The Australian or international insurer when eligibility and confirmation of payment
- Fees must include appropriate charges for patients' accommodation in critical care units

3.3 Non-Inpatient services

The rates of charge are as per the occasion of service rates as appropriate to the hospital classification or in relation to staff specialists or visiting medical officers up to Australian Medical Association rates. Telehealth / telephone services are to be charged at the applicable occasion of service rate.

4. NORFOLK ISLAND RESIDENTS

Residents of Norfolk Island:

- Ensure accurate capture of Norfolk Island residential address, including postcode
- Charge Private Health Insurer or individual where patient has elected to be treated as a private patient
- Follow existing recovery processes where patient is treated as a compensable patient.
- Where the patient has elected to be public, the Local Health District will raise the Ministry of Health as a debtor and the Ministry of Health will make a six-monthly reconciliation and payment to the Local Health District based on Patient Administration System information.

Charges for Compensable Norfolk Island patients are to be raised as per section 6 Compensable Patient's Accommodation Charges.

5. PATIENTS ADMITTED TO A PUBLIC HOSPITAL UNDER THE STATUS RESOLUTION SUPPORT SERVICE OR ROTARY OCEANIA MEDICAL AID FOR CHILDREN

The Status Resolution Support Services is the program that supports vulnerable migrants who are waiting for the government's decision on a visa application, including people seeking asylum, this was previously referred to as the Asylum Seekers Assistance Scheme,

Please refer to the NSW Health Policy Directive *Medicare Ineligible Asylum Seekers – Provision of Specified Public Health Services* (PD2020_039) to ensure correct identification of Medicare ineligible community-based asylum seekers.

Rotary Oceania Medical Aid for Children provides support to Pacific nation children requiring medical intervention by bringing them to Australia / New Zealand for surgery.

6. COMPENSABLE PATIENTS' ACCOMMODATION CHARGES

6.1 Motor accident patients

NSW Health manages bulk billing on behalf of recognised public hospitals under a Purchasing Agreement with the State Insurance Regulatory Authority and iCare for persons injured in a motor vehicle accident in NSW receiving treatment in a NSW Health Facility.

Recognised public hospitals do not raise accounts for the cost of accommodation and prosthetics for motor vehicle accident patients.

Acute admitted, emergency department / services and non-admitted patient services are charged based on a case-mix model. Sub-acute, non-acute and mental health patient services are charged at the applicable per diem and occasion of service rates.

6.2 Acute admitted, emergency department / services and non-admitted patient services

Compensable patient charges are calculated in accordance with the applicable National Weighted Activity Unit and the National Efficient Price as determined by the Independent Hospital Pricing Authority's annual publication of the National Efficient Price Determination.

Acute admitted hospital services and Hospital in the Home services are grouped by the applicable Australian Refined Diagnosis Related Groups aligned to the National Efficient Price and National Weighted Activity Unit.

National Weighted Activity Units are discounted by 11 per cent to reflect that visiting medical officers and staff specialists bill separately for compensable admitted patients. The removal of assessed visiting medical officers and staff specialist costs reduces each National Weighted Activity Unit by 11 per cent creating an *adjusted* National Weighted Activity Unit for the purposes of charging this category of compensable patients.

Emergency Department services reflect the Australian Emergency Care Classifications, aligned to the National Efficient Price and National Weighted Activity Unit.

6.3 Sub-acute, non-acute and mental health admitted patient care activity

All sub-acute and non-acute admitted patient care activity reflect the applicable Australian National Subacute and Non-acute Patient Classification. Charges are raised at a per diem rate.

Paediatric palliative care charges are raised at a per diem rate.

Mental Health services are charged at the per diem rate.

6.4 Emergency Department of small rural hospitals not collecting nor required to collect patient level data

Compensable patients attending the Emergency Department of small rural hospitals are charged the applicable rate for each occasion of service provided.

6.5 Non-Inpatient services

The amounts shown are the rates of charge for each occasion of service (excluding physiotherapy, chiropractic & osteopathy services, psychology & counselling services, and exercise physiology services) as appropriate to the hospital classification **or** the maximum amount payable under the relevant WorkCover practitioner fees order.

The fees orders, which generally link to Australian Medical Association rates, cover Medical Practitioners, Surgeons and Orthopaedic Surgeons. Links to the Orders are advised below:

- Accredited Exercise Physiology fees order No 3 (effective 17 April 2020)
- Psychology and Counselling Fees and Practice Requirements 2021
- Physiotherapy, Chiropractic and Osteopathy Fees and Practice Requirements 2021

7. VETERANS' AFFAIRS PATIENTS

NSW Health manages bulk billing on behalf of recognised public hospitals under agreement with the Department of Veterans' Affairs.

Recognised public hospitals do not raise accounts against Department of Veterans' Affairs for the cost of accommodation and prosthetics. However, they are to continue to raise accounts for diagnostics and nursing home type patients.

8. HOSPITAL IN THE HOME SERVICES

Hospital in the Home is admitted acute/sub-acute care in the patient's home or the community as a substitute for in-hospital care. Instead of receiving care and hospital accommodation, patients receive hospital level care whilst being accommodated in their own home.

As care cannot always be provided in a patient's home or in a community setting, Hospital in the Home services may include care in an ambulatory / clinic environment.

Hospital in the Home services usually offer care to patients who would have been admitted to hospital and provide post-acute care after a patient is formally discharged from hospital. If the Hospital in the Home service was not available, this patient would be accommodated in hospital.

Further information can be found in the NSW Health Guideline *Adult and Paediatric Hospital in the Home Guideline* (GL2018_020).

8.1 Private patients transferred to Hospital in the Home

The *Private Health Insurance Act 2007* (Commonwealth) abolished the Outreach default benefit payable for Hospital in the Home type services.

Health services must have individual agreements in place with each private health insurer to establish rates and terms for payment for Hospital in the Home services. If there is no agreement in place, no claim for Hospital in the Home services can be made.

If no agreement exists with a private health insurer for a patient with a private election who is treated in Hospital in the Home, the patient's election status must be a 'public overnight' financial classification.

If, during the same episode of care, the patient is transferred from the Hospital in the Home model to a facility-based care, the financial classification must be changed back to 'private overnight' or 'day only'.

8.2 Department of Veteran's Affairs and compensable patients.

There is no requirement to change the financial classification for Department of Veterans' Affairs or compensable (Motor Accidents Authority, WorkCover, and 'other compensable') patients who are transferred to the Hospital in the Home model of care.

8.3 Medicare Ineligible

Medicare Ineligible patients transferred to the Hospital in the Home model of care are chargeable. They must be classified as Ineligible Hospital in the Home and charged the per diem rate.

9. PATIENTS IN MEDICAL ASSESSMENT UNITS AND OTHER SHORT STAY UNITS

Where such a patient is admitted on one day and discharged on a subsequent day, the admitted shared rate is to be raised in relation to private patients.

Where such a patient is admitted and discharged on the same day, the following charging rules apply in relation to private patients:

- Hospital to claim benefit under Medicare Benefits Schedule from Medicare (75%) and Health Fund (25%) for medical services (including diagnostic services).

- Where the day only criteria for Band 1 is satisfied, and the appropriate medical practitioner completes the “Type C Exclusion” exemption (Day Only Procedure Certification), hospital to invoice Health Fund the Same Day – Band 1 rate.

10. PRISONERS – PROVISION OF MEDICAL SERVICES

All NSW prisoners are entitled to free inpatient and non-inpatient services in NSW public hospitals.

When the required services are not available at the public hospital to which the prisoner is admitted as an inpatient, or attends as a non-inpatient the following arrangements apply:

10.1 Inpatient Services

Neither the prisoner, nor the Correctional Centre is to be charged for accommodation, diagnostic, medical, nursing, or other services provided by:

- The public hospital where admitted.
- The public hospital to which transferred for further care as an inpatient.
- The public hospital to which referred for a diagnostic or clinical procedure without being admitted as an inpatient.
- A private medical practitioner (in their rooms), for services not available at a public hospital.

In these circumstances, the referring public hospital is responsible for meeting any costs involved.

10.2 Non-Inpatient services

Neither the prisoner, nor the Correctional Centre is to be charged for non-inpatient services provided by:

- The public hospital initially attended by prisoner.
- The public hospital to which referred if services not available at the initial public hospital.
- A private medical practitioner (in their rooms), for services not available at a public hospital.

In these circumstances, the original hospital that the prisoner attended is responsible for meeting any costs involved.

11. CHARGES IN RESPECT OF NEWBORNS

11.1 Unqualified babies

Newborn babies born in a hospital must be classified as unqualified unless they meet the below criteria for qualified babies:

- Unqualified babies are 'non-chargeable', however if a baby becomes qualified for any part of the period of stay the rules relating to qualified babies apply but only for the period of qualification.
- Medical / diagnostic services are non-chargeable where provided by a hospital appointed doctor or where a service provided by a private practitioner has been organised by the hospital as part of the overall service to an unqualified baby.
- Where a parent / guardian requests to have an unqualified baby examined by a private medical practitioner of their choice, they have a named referral to that doctor exercising rights of private practice and provide informed financial consent Medicare can be billed for these privately referred non-inpatient services.

11.2 Qualified babies

Qualified babies are deemed to be a patient of the hospital (inpatient service) and are those babies that meet the following criteria:

- A newly born child who occupies an approved bed in an intensive care facility in a hospital receiving special care services, and
- Each child in excess of one where there are two or more newly born children of the same mother in a hospital.

Note that all the children are qualified babies if they meet the criteria above. Parents must make an election on behalf of the baby to be public (non-chargeable) or private (chargeable).

12. CLASSIFICATION OF VICTIMS OF CRIME / DOMESTIC AND FAMILY VIOLENCE PATIENTS

Victims of crime can access a 'victims support package' through the *Victims' Rights and Support Act 2013* (NSW). The package offers free counselling, financial support, and recognition payments. The support package is available to victims of violent crime in NSW.

Victims of crime may be entitled to claim workers compensation. In these instances, the person would be classified as a compensable patient and charges raised accordingly.

Medicare eligible victims of crime inpatients may elect to be treated as either public (non-chargeable) or private (chargeable) with usual policies to apply.

Medicare ineligible (overseas visitors) victims of crime who present at a NSW public hospital must not be charged. Inpatients must be classified as Victim of Crime (day only / overnight). No hospital / medical charges are to be raised.

A police event number is no longer mandatory to classify someone as a victim of crime. NSW Health clinical staff may determine if someone is to be classified as a victim of crime based on their own assessment (e.g., if the person has disclosed being victimised, the type of service being accessed, and/or nature of the health care sought) or on other information available such as a report from police, government agency or government-funded organisation.

13. COVID-19 HEALTH SERVICE QUARANTINE FEES

A regulation was made on 18 July 2020 to amend the *Health Services Regulation 2018* (NSW) to prescribe "quarantine service" as a "health service" for the purposes of the *Health Services Act 1997* (NSW).

A "quarantine service" is defined to mean "the provision of accommodation and associated services to persons subject to a quarantine period at a quarantine facility or medical facility under an order made under section 7 of the *Public Health Act 2010*".

13.1 Charging for quarantine services

Individuals who are required to quarantine in a designated quarantine hotel or health facility pursuant to a public health order will be charged fees from 18 July 2020. Sydney Local Health District will formally charge the fees for quarantine services provided by the Local Health District on behalf of the NSW Government but will not be responsible for issuing invoices or collecting outstanding amounts. Revenue NSW will issue invoices and collect the fees.

13.2 Quarantine service charges

Fees are to be charged as a single fixed fee, which include accommodation and meals.