

Staff Specialists Private Practice Arrangements: Fees Charged Medical Gap Cover Insurance is Held

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Functional Sub group Personnel/Workforce - Conditions of employment
Personnel/Workforce - Salaries

Summary Staff Specialists' private practice arrangement scheme for fees that can be charged where medical gap cover insurance is held.

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Applies to Area Health Services/Chief Executive Governed Statutory Health Corporation, Board Governed Statutory Health Corporations, Affiliated Health Organisations - Declared, Public Health System Support Division, Public Hospitals

Audience Staff Specialists, payroll staff, finance staff

Distributed to Public Health System, NSW Ambulance Service, NSW Department of Health

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Policy Manual Fees

File No. 02/4396-2

Status Active

Director-General

This Policy Directive may be varied, withdrawn or replaced at any time. Compliance with this directive is **mandatory** for NSW Health and is a condition of subsidy for public health organisations.

STAFF SPECIALISTS' PRIVATE PRACTICE ARRANGEMENTS: FEES THAT CAN BE CHARGED WHERE MEDICAL GAP COVER INSURANCE IS HELD

PURPOSE

This Policy Directive makes provision for the continuing operation of the arrangement by which those patients with appropriate health fund gap cover can be charged more than the MBS fee for services provided by Staff Specialists.

MANDATORY REQUIREMENTS

1. Medicare rebatable persons treated as private (chargeable) patients by Staff Specialists when exercising rights of private practice are able to be charged above the Medical Benefits Scheme (MBS) fee in the following circumstances:
 - (i) the patient has medical gap cover insurance from a health fund, so that the fund will cover the "gap" between the MBS fee and the fee charged by a hospital on behalf of the Staff Specialist; and
 - (ii) the patient will not have any out of pocket expenses in relation to the particular service involved.
2. The approval to charge above the MBS fee is subject to the following provisions:
 - (i) the arrangements can apply to all episodes of treatment and attendance in respect of which hospitals issue bills on behalf of Staff Specialists;
 - (ii) the relevant health services will need to give prior approval to a Staff Specialist's participation in the arrangements.
3. There is no obligation on a health service or a Staff Specialist to become involved in these arrangements. Where health services do elect to become involved, they will need to arrange for procedures to be put in place so that when a patient indicates an election to be treated as a private patient, information is sought on whether that patient has medical gap cover insurance with a health fund, in order that the necessary billing arrangements can be implemented by the hospital on behalf of the Staff Specialist.
4. The need to operate a more complex billing system may involve further administrative work, possible software revision, and possible additional extra costs. Where such additional costs can be clearly demonstrated, arrangements can be made to recoup them on a cost recovery basis. The costs so recovered (i) should be the first charge on the monies received where patients have been charged above the MBS fee, (ii) are to be in addition to any infrastructure fees levied, and (iii) are to be accounted for in the same manner as infrastructure fees received in respect of private practice revenue. In assessing whether additional charges are to be made, regard should be had to the additional revenue from infrastructure fees that would be received as a result of the higher charges that would be involved.

IMPLEMENTATION

Chief Executives are responsible for ensuring that this Policy Directive is brought to the attention of Staff Specialists and staff who are involved with staff specialist private practice billing arrangements.

Staff Specialists are responsible for ensuring that their billing procedures are in conformity with the provisions of this Policy Directive.

REVISION HISTORY

Version	Approved by	Amendment notes
September 2008 (PD2008_054)	Deputy Director General Health System Support	Authorised the billing of private patients on behalf of staff specialists above the MBS rate where gap cover insurance was held
September 2009 (PD2009_056)	Deputy Director General Health System Support	Rescinds PD2008_054. Issues a new policy dealing with this subject.