

AUSTRALIAN COMMISSION ON SAFETY AND QUALITY IN HEALTH CARE



ADVISORY

TITLE	Informed financial consent
Advisory number	AS18/10
Version number	3.0
TRIM number	D18-7894
Publication date	December 2019
Replaces	AS18/10 version 2.0 published on July 2019
Compliance with this advisory	It is mandatory for approved accrediting agencies to implement this Advisory
Information in this advisory applies to	All approved accrediting agencies All private hospitals All public hospitals accessing private health insurance funding
Key relationship	Action 2.4 – Healthcare rights and informed consent
Attachment	Example of informed financial consent form
Notes	Formatting on page 3 has been updated.
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To be reviewed	December 2020



ADVISORY

AS18/10: Informed financial consent

PURPOSE:

To describe assessment requirements for informed financial consent in health service organisations.

ISSUE:

Informed financial consent (IFC) is the provision of cost information to patients, including notification of likely out-of-pocket expenses (gaps), by all relevant service providers, preferably in writing, prior to admission to hospital or treatment.

The Commission notes informed consent cannot be sought or obtained in certain circumstances, including for some patients admitted from an emergency department.

With the introduction of the National Safety and Quality Health Service (NSQHS) Standards (second edition) from January 2019, compliance with informed financial consent requirements will be confirmed during accreditation assessments.

Action 2.4 of the NSQHS Standards requires:

The health service organisation ensures that its informed consent processes comply with legislation and best practice

Private hospitals

In private hospitals, the *Private Health Insurance (Health Insurance Business) Rules 2018* (the Rules) require a hospital to make provisions for informed financial consent. This occurs when a patient or their nominee is informed in writing of what hospital charges, insurer benefits and out of pocket costs (where applicable) are expected regarding the hospital treatment they are expected to receive. A patient or nominee must be informed:

- a. For scheduled admissions – at the earliest opportunity before admission for hospital treatment; or
- b. For all other admissions – as soon after the admission as the circumstances reasonably permit.

In October 2017, the Australian Government Minister for Health announced a series of reforms to private health insurance administrative arrangements. These changes include simplified administrative arrangements for demonstrating compliance with informed financial consent requirements by private health service organisations as set out in the Rules.

Public hospitals

The Australian Government, states and territories have signed the National Health Reform Agreement to improve health outcomes for all Australians. This Agreement reaffirms the commitment by states and territories to ensure that eligible persons who have elected to be treated as private patients have done so on the basis of informed financial consent.

Public hospitals are required to provide a clear and unambiguous explanation of the consequences of private patient election. This explanation should include advice that private patients:

- Will be charged at the prevailing hospital rates for hospital accommodation for medical and diagnostic services, prostheses and any other relevant services
- May not be fully covered by their private health insurance for the fees charged for their treatment and that they should seek advice from their doctor(s), the hospital and their health fund regarding likely medical, accommodation and other costs and the extent to which these costs are covered.

All health service organisations that provide patients with written confirmation that the health service organisation charges will not exceed the insured rebate do not need to provide detail on the hospital fee, health insurer benefits or estimates of co-payments. When this statement is signed by the patient or their nominee it meets the requirements for informed financial consent.

REQUIREMENTS:

To comply with informed financial consent requirements health service organisations treating patients accessing private health insurance funding must provide patients with information in writing, including:

1. Name of the proposed procedure
2. Item number for the proposed procedure, if known
3. The hospital fee for this admission, as a dollar amount if it exceeds the patient's insured rebate
4. The health insurer benefit, as a dollar amount.
5. **Where applicable, estimates** of co-payments including any excess as a dollar amount
6. **A statement** noting where costs are estimates, and may vary. Reasons for the variation such as length of stay, type of procedure actually performed rather than scheduled, or other relevant reasons for variation in costs should be included.
7. **Where applicable a statement listing** other relevant service providers that may bill a patient separately from the health service organisation. This may include, but is not limited to:
 - Pharmacy
 - Pathology
 - Surgeon
 - Anaesthetist
 - Perioperative / surgical assistant
 - Neonatologist
 - Radiology
 - Physiotherapy
 - Other allied health providers

Note: This list is provided for the benefit of health service organisations preparing documentation on informed financial consent and is not intended as a check list for assessors.

8. **A statement** advising patients to confirm with their health insurer prior to admission or as soon as practical after admission, the following:
 - a. Rates of reimbursement for each of the expected charges for the specific insurance policy they hold
 - b. If the planned admission or treatment is within a waiting or exclusion period for the policy
 - c. If the admission or treatment is covered by the health fund's no gap or gap cover scheme.
9. **A space** for the patient (or nominated substitute decision maker) to sign the form confirming that they have been informed of, and understand the charges.

An example is at **Attachment 1**. This is an example only and health service organisation are not required to use this format.

Accrediting agencies are required to direct their assessors to:

1. Confirm informed financial consent forms comply with the requirements set out in this Advisory
2. Review evidence that privately insured patients receive informed financial consent prior to elective admission or as soon as practical for all other admissions
3. Award a not met rating if informed financial consent forms or process do not comply with this Advisory.

A health service organisation's compliance with the requirement of this Advisory for informed financial consent will contribute to overall compliance with Action 2.4.

Example ONLY of informed financial consent form

It is not required that health service organisations use this format

ABC Hospital - Estimate for hospital services**Facility Information**

Facility name Facility Provider Number

Contact officer Contact number

Patient Information

Patient name Given name

Patient Address

 Post Code

Patient telephone number(s)

Date of birth Patient sex
 ___/___/___ Female Male

Patient's health insurance fund Membership number

Fund table Membership verification number

Date joined Excess

Procedure DetailsDate of admission

Procedure	Item number	Bed charge	Anticipated days to be claimed (if per diem)
Lap. Chole	30455	\$550	1

Hospital quotation

Hospital fees			
	Estimated Costs	Fund rebate	Patient cost
Accommodation	\$550	\$500	\$50
Theatre	\$2,000	\$2,000	nil
Consumables	nil	nil	nil
Other	\$200	nil	\$200
Fund excess	\$50	nil	\$50
TOTAL	\$2,800	\$2,500	\$300

Patient / Guardian to complete**Certification**

I, (insert name) _____

I am aware the above cost estimates relate to the proposed treatment and may change as a result of variations in the actual treatment provided.

I am aware I may receive separate accounts from other service providers associated with my treatment, including from my surgeon, anaesthetist, physiotherapist (list relevant providers).

I understand that as a private patient I am responsible for all hospital, diagnostic and prosthetic costs that are not covered by my health fund or Medicare.

The patient or nominee named herein undertake to pay the patient payment as indicated, together with any unforeseen costs which may arise as a consequence of the procedure(s).

Signature Date

Patients/guardians are encouraged to confirm with their health insurer, prior to admission or as soon as practical after admission, the following

- reimbursement for each of the expected charges in relation to the policy they hold
- if the planned admission or treatment is within a waiting or exclusion period for the policy
- if there is a gap payment for treatment