

Position statement

Informed Financial Consent

Preamble

This Position Statement addresses the minimum conditions that the ASA supports before a patient is considered to be able to provide *Informed Financial Consent (IFC)*.

It does not discuss *informed consent*, which is provided by a patient prior to undergoing anaesthesia; please refer to ANZCA Professional Document PS07 for further information.

Informed Financial Consent

The ASA defines IFC as the dialogue (verbal or written) undertaken between a medical practitioner or his/her representative and a patient such that the patient understands the potential fee for the medical procedure, and the potential rebates for the services from Medicare and/or the patient's private health insurer.

Setting of fees is determined by the individual anaesthetist. The ASA encourages members to set a reasonable fee in keeping with the provision of high-quality anaesthesia services. The patient should be informed if the fee will involve out-of-pocket expenses, and that their individual financial circumstances should be taken into account. The AMA fee should be the maximum unless there are extenuating circumstances.

The ASA considers the "gold standard" for IFC to be a written estimate of the fee (a range is acceptable), together with a reasonable indication of the likely out-of-pocket expenses, provided to the patient prior to the day of the procedure, along with written acceptance by the patient. The ASA acknowledges that this standard will not always be achievable but it invites anaesthetists to arrange their practices to attain this objective wherever possible.

Obtaining IFC from patients is sound, ethical, professional practice. Ultimately, IFC is also good business practice and will result in fewer disputes over accounts, lower debt recovery costs, fewer bad debts, and increased patient satisfaction.

The obtaining of IFC can be facilitated by:

- Seeing patients in consulting rooms before their admission to hospital. Verbal and written IFC can be obtained. This is ideal.
- Provision of information in the form of a handout, which surgeons/proceduralists or their staff can give to the patient. This need only detail a reasonable range of potential fees and out-of-pocket expenses. The ASA's *Anaesthesia & You* information brochure and its electronic version address IFC.
- Providing fee information directly to patients via mail/email prior to their admission to hospital.
- Asking surgeons/proceduralists to encourage their patients to contact the anaesthetist or their practice staff for an estimate of anaesthesia fees.
- Informing patients of fees when seen in hospital for the pre-anaesthesia consultation. This is less than ideal in elective cases.
- Informing patients of fees post-operatively, if this is impractical or inappropriate pre-operatively. This would typically be expected to be the case in emergencies.

Who Should Inform the Patient?

Although acceptable methods of obtaining IFC may involve another person providing the information, the treating anaesthetist is ultimately responsible and must confirm the patient understands and accepts the information provided.

Communicating with Patients

Many patients will be unfamiliar with the financial details of their anaesthetic procedure. In some instances, patients may have wrongly assumed that the fee for the anaesthetic service is included in the fee for the hospital or medical procedure or is fully covered by their health fund¹.

Discussions regarding anaesthesia fees may be inappropriate in some circumstances, such as in the case of emergencies, or immediately prior to a procedure, or if medical factors need to be addressed as a priority. In such circumstances, the anaesthetist should address IFA as soon as practicable.

Unexpected Changes to Fees

Anaesthesia fees may vary depending on the complexity and duration of the anaesthesia service for the actual surgery performed.

Any information about expected fees provided to the patient prior to treatment should include advice that fees may increase if the planned procedure takes longer than expected or additional procedures are required.

Health Insurance Information

For most private patients, any out-of-pocket expense will be determined by the difference between the fees charged by the anaesthetist and the applicable rebates from Medicare and/or the patients' private health insurer¹.

Private health insurance arrangements are complex and may depend on individual patients' circumstances.

Any information given to patients about likely health insurance rebates should include a suitable disclaimer and advice that entitlement to private health insurance benefits should be confirmed with their health fund².

Legal Obligation

When anaesthetic services are provided under a 'known gap' arrangement, under the *Health Legislation Amendment (Gap Cover Schemes) Act 2000*, the anaesthetist is obliged, where practical, to provide to the patient a written estimate of fees or the likely patient out-of-pocket expenses as well as seek written patient acknowledgement of that estimate.

There may be a number of other conditions imposed by the private health insurer on the anaesthetist if they accept to participate in a 'known-gap' or 'no-gap' scheme³. The anaesthetist should be familiar with these terms and conditions before accepting them.

While there is no legal obligation to provide written information where no out-of-pocket expense is payable, the ASA recommends that patients be provided with this information as soon as practicable, and ideally prior to admission to hospital. This is good business practice and is likely to increase patient satisfaction.

References

1. Private Health Insurance Ombudsman, 'Out of pocket expenses (gap cover)', *Australian Government*, accessed May 10th, 2019, https://www.privatehealth.gov.au/health_insurance/howitworks/out_of_pocket.htm
2. Commonwealth Ombudsman, 'Informed financial consent', *Australian Government*, accessed May 10th, 2019, <http://www.ombudsman.gov.au/making-a-complaint/private-health-insurance/informed-financial-consent>
3. AMA (2018), 'PRIVATE HEALTH INSURANCE REPORT CARD 2018', accessed May 10th, 2019, <https://ama.com.au/system/tdf/documents/AMA%20Private%20Health%20Insurance%20Report%20Card%202018.pdf?file=1&type=node&id=48140>

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