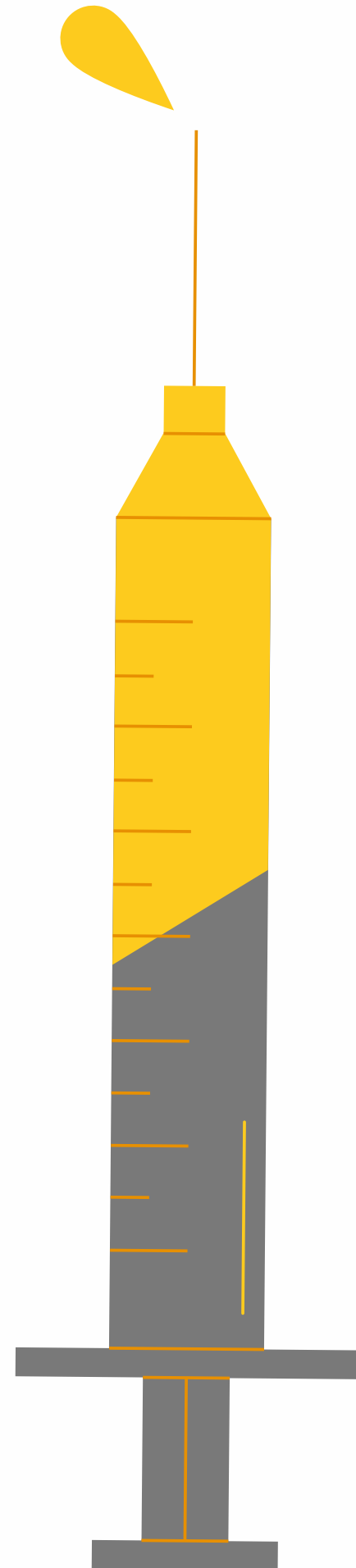




Anaesthetic billing explained

Relative Value Guide

Anaesthetists' fees are calculated according to the Relative Value Guide (RVG).



- RVG allocates a number of 'units' to an anaesthesia service
- RVG value takes into account complexity of the surgery, time, age, general health of the patient
- Anaesthetic fee is number of RVG units X Unit Dollar Value
- Unit dollar value varies depending on an anaesthetist. The current RVG unit value as guided by AMA is \$94 (as of November 1st 2022). The ASA considers this to be a fair reflection of the value of anaesthetists' services.



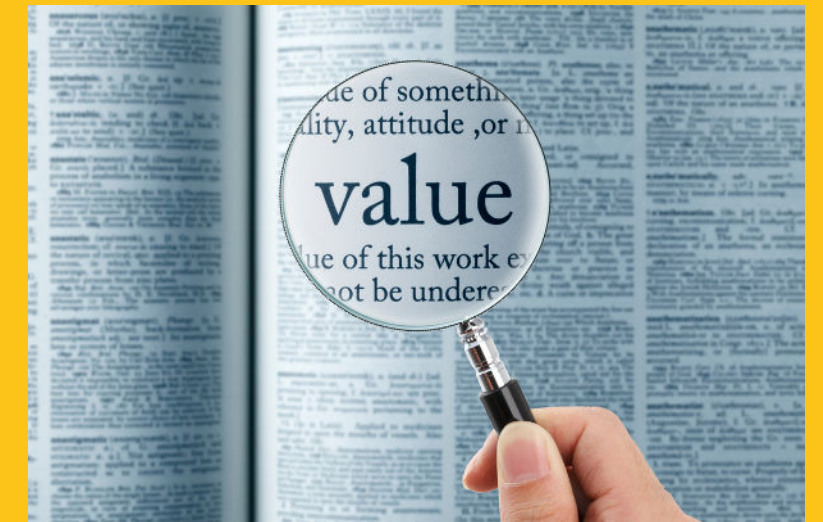
Australian Society of
Anaesthetists

NEW RVG UNIT VALUE IS

\$94

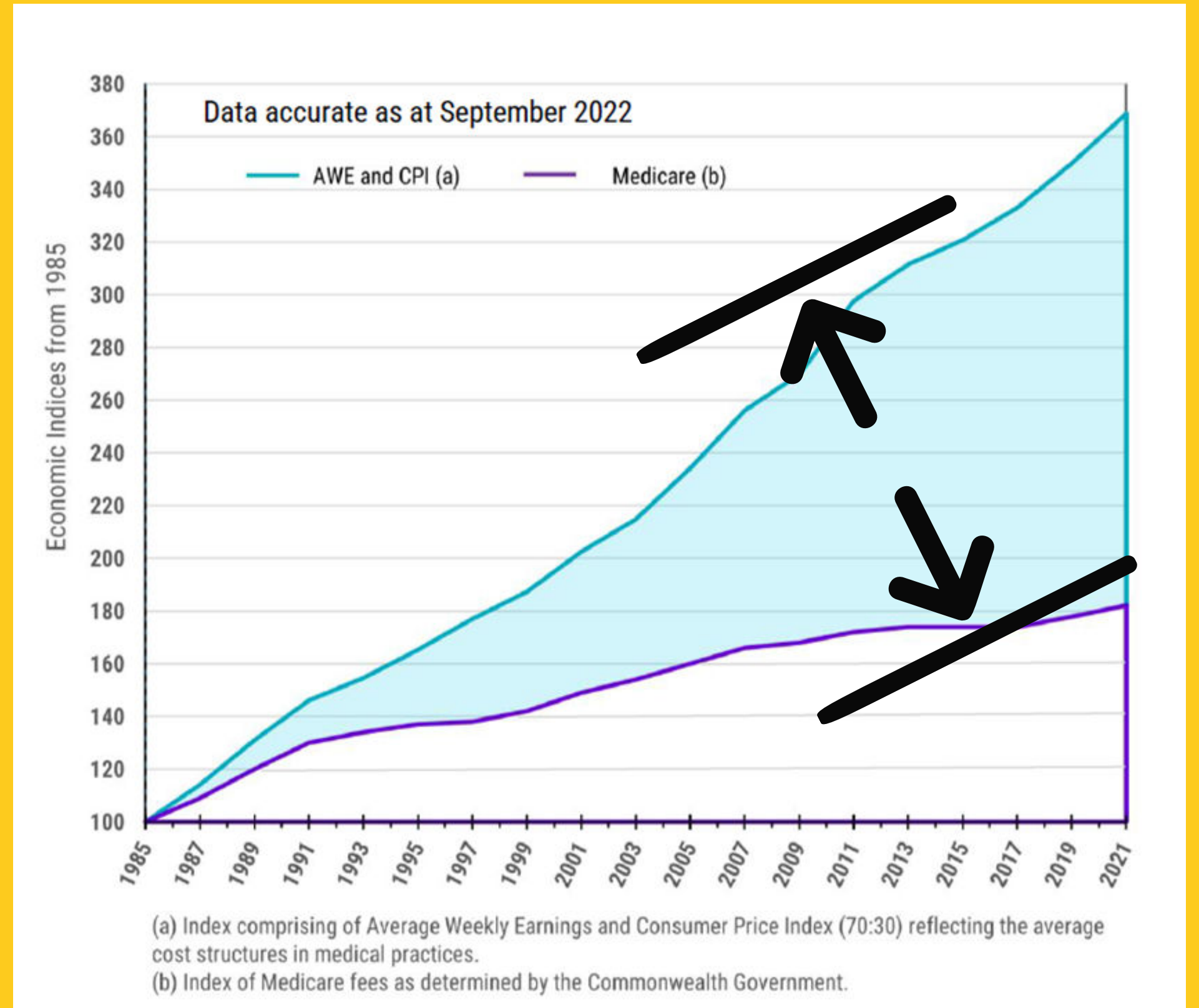
As at 1st November 2022

The Australian Medical Association (AMA) has released its Schedule of Fees, applicable from 1 November 2022. The AMA List of Medical Services and Fees is indexed each year by the AMA Medical Fees Index (AMA MFI). The AMA MFI is a weighted average of the changes in various cost and income components determined by three macroeconomic indices published by the Australian Bureau of Statistics. These include: the Wage Price Index, the All Group Consumer Price Index (CPI), the Private Motoring CPI. The AMA RVG unit value has been indexed by 3.45% across all groups and its new value is \$94.00. RVG has update its RVG unit value accordingly.



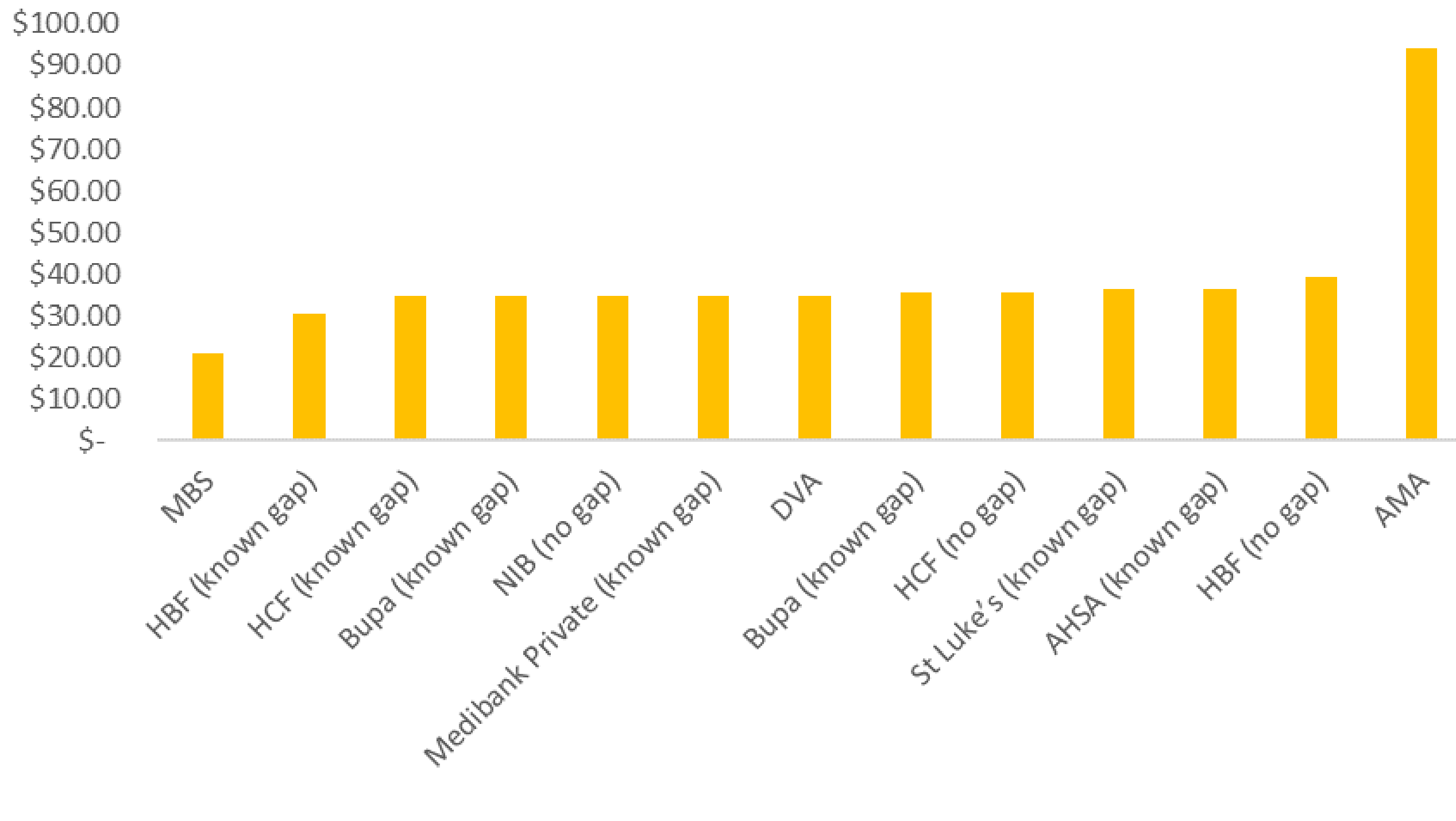


This graph displays that Medicare has been inadequately indexing MBS rebate and is well below AMA indexation. Medicare indexation has been frozen for a number of years in early 2000s; Medicare also does not use CPI to index Medicare fees. For the patient it means that the level of government rebate has not kept up with inflation and patients had faced higher out of pocket as the result.



Unit value also varies across Health Funds

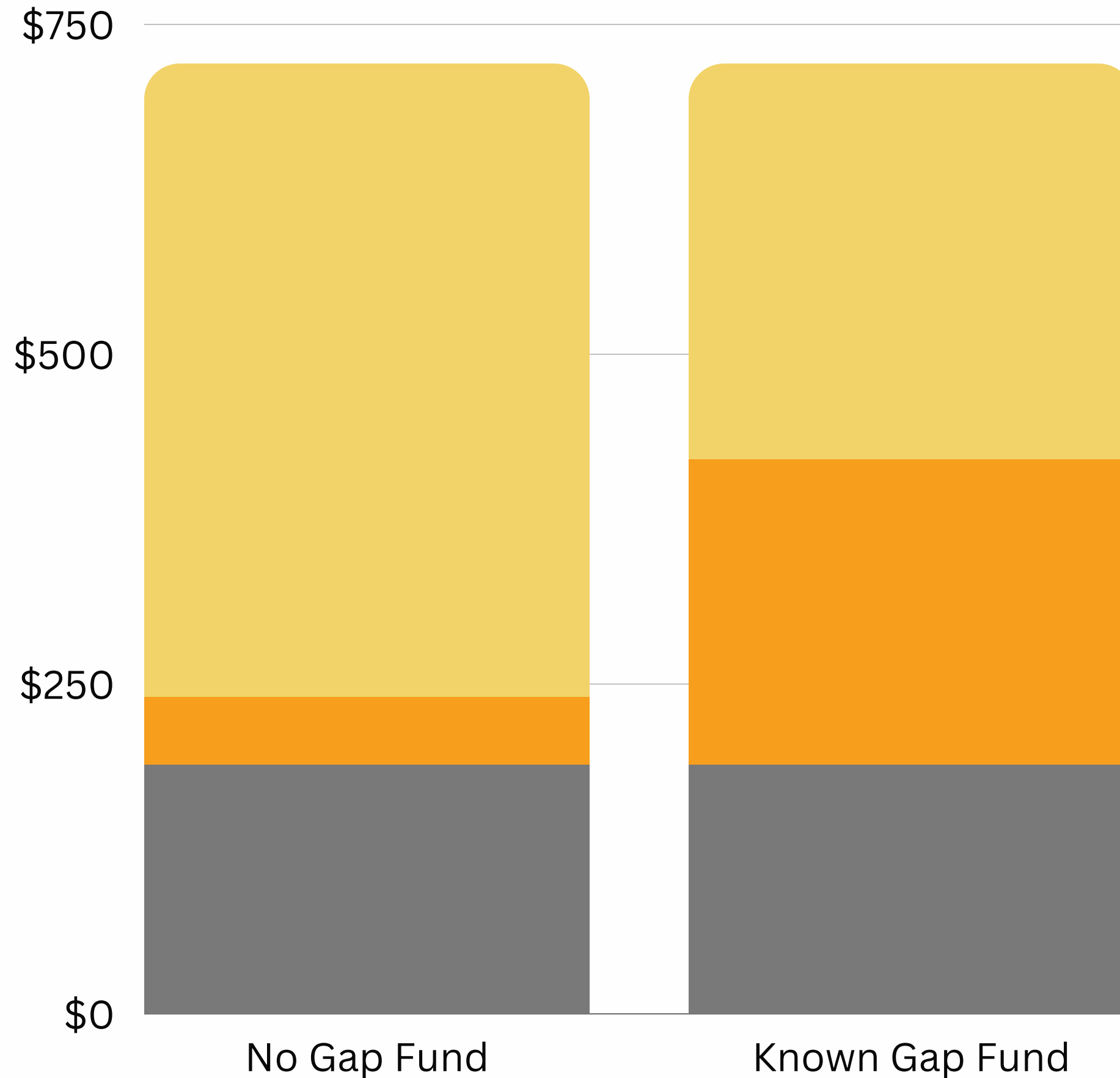
Rebates per RVG unit value across funds



Rebates (unit values) per RVG unit vary across funds. Known gap varies from \$30.60 (HBF) to St Luke's of \$36.05. No gap fees vary from \$34.55 from NIB to \$35.60 from HCF.



- Medicare Schedule Fee
- Insurance Fund Rebate
- Medical Gap to be paid by Patient

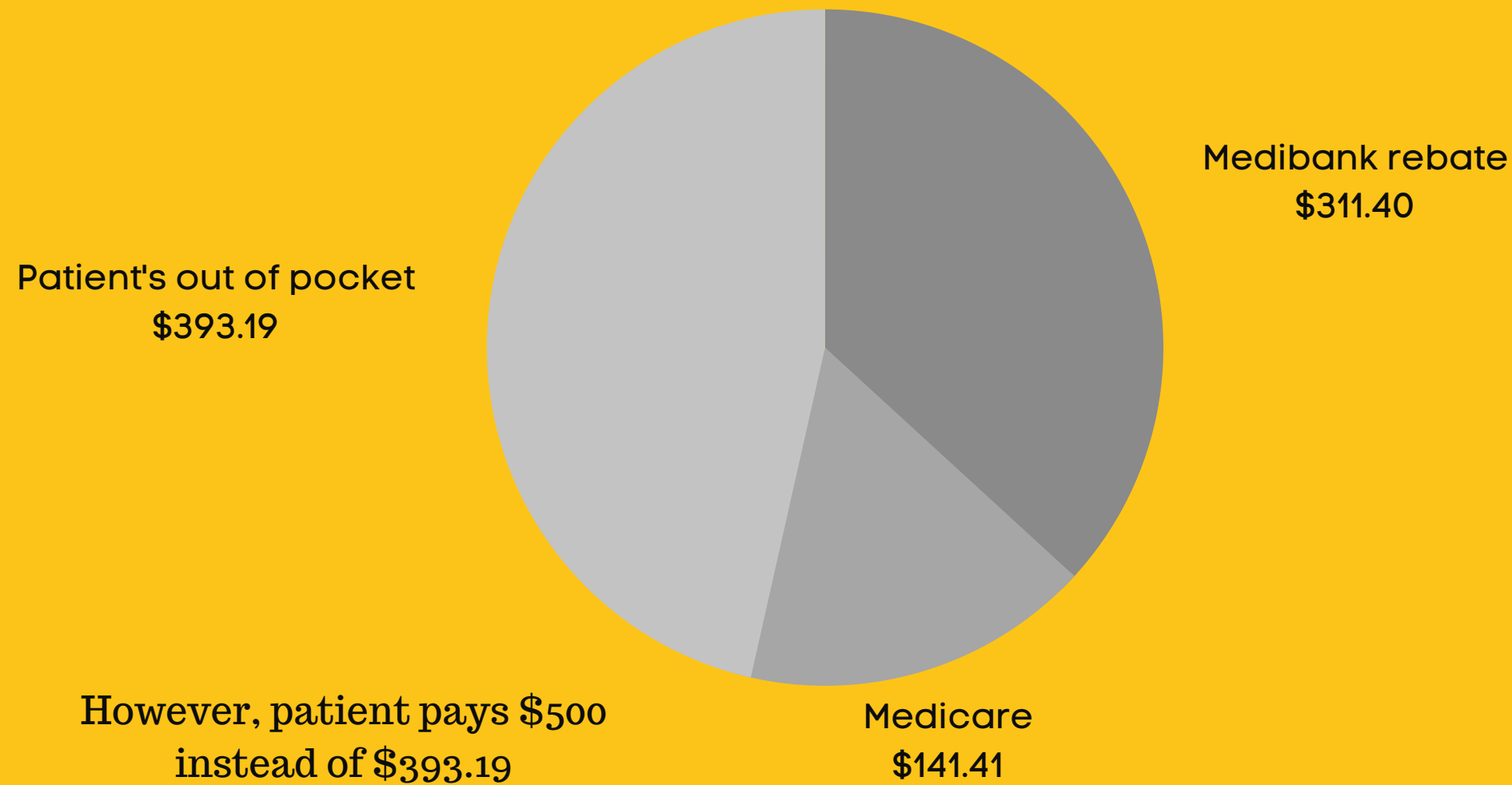


The full anaesthesia fee is \$720. If a patient is insured with a “known gap” fund the insurer will pay the full grey + orange total of \$420. Patient's co-payment would be \$300. However, a “no gap only” fund insists that it will only pay \$420 if the anaesthetist accepts this as the full fee. If the full fee is above \$420, the insurance will only pay out only the amount in grey. For the same total fee of \$720, patient's out-of-pocket expense would be \$480 rather than \$300.

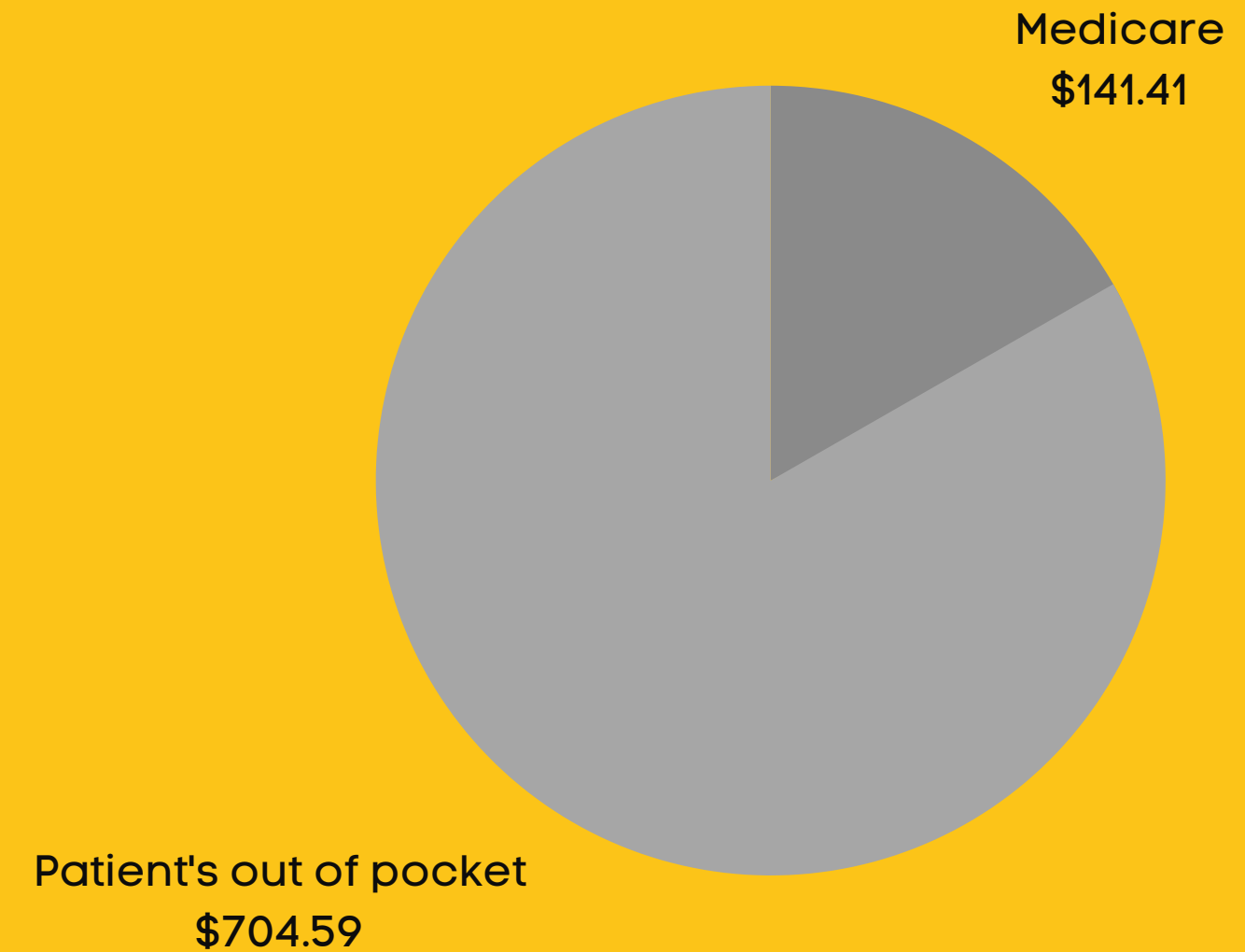
For instance, a doctor's full fee could be \$720 which is 64% of the AMA fee. The \$420 rebate, if paid, is 37% of the AMA Fee.

Known-gap vs no insurance

Medibank Private (known gap)



No insurance



Generally, insurance contributes a relatively small percentage to doctor's fees and most contribution goes to in-hospital expenses. Private insurance patients can have a surgery faster and choose the doctor who performs the surgery at much lower rate. However, private insurance mostly does not cover out of hospital expenses and only covers about 25% of doctor's fees in-hospital.

NIB GapSure Scheme



RVG Base Unit Modelling - \$41 across all RVG items.



For more complex procedures, a \$500 discretionary known gap can be applied (Procedure items with Base units of 5 & above).



Once joined, all nib patients are billed as per the network (i.e. nib members have financial certainty when using GapSure).



NIB has the the list of item numbers to which \$41 unit fee applied



Updates to RVG and MBS

Co-claiming outside T10 is not permissible

Department of Health - Medicare Division removed explanatory note TN10.8 which allowed co-claiming of anaesthetic with other associated professional services

Some item numbers may be coming back

The DoH endorsed 13703 (blood transfusion), 40018 (lumbar drain) and 55135 (ITOE) item numbers to be replicated in the RVG.

Anaesthesia Telehealth numbers

The only current number for anaesthetists for Telehealth consultations is the video conference number 92701. The ASA has worked with the AMA to have new Telehealth phone pre-anaesthesia consultation numbers added to the AMA schedule: CA021 for < 15 mins; CA022 for > 15 - 30 mins; CA023 for > 30 - 45 mins; and CA024 for > 45 mins.

AMA Worker's Compensation rates have also been updated

Workers compensation (WCC) insured patients can usually access AMA/RVG numbers but pay different RVG' values around the country.

Submissions for additional item numbers in the pipeline

Further on billing

For private patients entitled to Medicare benefits, Medicare requires the items to be in the following order:

- 1 The pre-anaesthesia consultation
- 2 The base anaesthesia item;
- 3 The anaesthesia item for time, then any modifiers and therapeutic or diagnostic services if applicable;
- 4 The emergency after hours (or in hours) modifier if applicable; and
- 5 Any items relating to post-operative care.

It is essential that, should the after-hours emergency item apply, it is the final RVG item listed, so as to ensure the 50% loading is attracted by all the relevant items. If an MBS after hours emergency modifier (items 25025, 25030 or 25050) is used the anaesthesia start and finish times should be included on the account.

RVG updates - important dates

- RVG App updates - concurrent
- RVG book published - end of Feb/March
- MBS updates are throughout the year. MBS, DVA rates are indexed as at 1st of July
- Health Funds updates post MBS update at various dates, apart from HBF (indexed in December)
- AMA indexation updates as at 1st of November

Questions?