



## OPERATIONAL CIRCULAR

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**Subject: BUSINESS RULES APPLYING TO THE PRIVATELY REFERRED NON-  
INPATIENT MODEL**

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This Circular sets out the approved business rules applying to the privately referred non-inpatients services in public hospitals. Health Services and medical practitioners participating in the privately referred non-inpatient service must comply with the processes and procedures described in these business rules

### 1 Referrals

- Patients **must** be privately referred by a doctor working in a private capacity to a named Consultant. A referral must not be made by a medical officer working in a public capacity at the time the referral is made
- The referral letter is to be completed before the patient's appointment.

### 2 Patients

- Patients **must** be willing to elect to be treated as private patients.
  - Patients will be booked by hospitals as PRNI patients. Hospitals will administer the bookings to provide 'walk in / walk out' lists for clinicians.
  - Patients who unexpectedly require admission following their procedure, due to clinical complications, will be admitted according to the election of the patient for that unexpected admission.
  - Patients who satisfy the conditions set out in the policy and who are treated at a PRNI Service are to be counted as additional work, not as public activity.
  - If a patient presents and does not fulfil the conditions set out in this policy then alternative arrangements must be made for clinically appropriate care to be given outside of the PRNI.
  - Patients should be reminded to bring their Medicare Card to the PRNI Clinic so as to avoid possible delays. Whilst not a requirement, it is recommended patients be asked to hand their Medicare card to clerical staff on arrival to be held at the reception desk until after the procedure. Patients should also be informed they will need to return to the reception desk prior to leaving in order to sign the Medicare voucher and pick up their Medicare card. Signage on the exits to this effect is also recommended.
  - At the completion of the consultation, the doctor must inform the clerical staff of the MBS item number to be used when direct billing. This may be assisted by the use of pre-prepared checklists of standard procedures complete with Medicare item numbers.
  - The Medicare card must be swiped through the reader or entered onto the billing software. The MBS code will then be entered and the patient voucher printed to enable the patient to sign.
  - The patient **cannot** sign the Medicare voucher before the procedure, but **must sign** when leaving the non-inpatient clinic.
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### 3 Billing / Medicare

- The PRNI recognises the private relationship between the clinician and the patient. Payment systems are available to allow clinicians to direct bill Medicare (ie accepting 85% of the Medicare schedule fee as full payment).
- At the time the appointment is made for a PRNI procedure the patient is to be advised of the financial charges that will be made by the treating Consultant and whether these are fully covered by Medicare.
- The Medicare Australia publication "Mediguide - A guide for practitioners and practice staff" states:

*"If a practitioner agrees to the direct- billing method, patients assign their right to a benefit to the practitioner as full payment for the medical service. The practitioner (or any other person or company) cannot make any additional charge for the service. ... It is a legal requirement that the assignment of benefit form be signed by the patient only after the service has been provided and the form completed. A copy of the completed assignment form must be given to the patient."*<sup>1</sup>
- At the completion of the consultation, the doctor must inform the clerical staff of the MBS item number to be used when direct-billing. This may be assisted by the use of pre-prepared checklists of standard procedures complete with Medicare item numbers.
- The Medicare Benefits Schedule, available on the Department of Health and Ageing website at [www.health.gov.au/mbsonline](http://www.health.gov.au/mbsonline), provides detailed information on the arrangements applying to the payment of Medicare benefits for professional services rendered by registered medical practitioners. In the context of the PRNI, particular attention is drawn to the requirements set out in the General Explanatory Notes, section 6 "Referral of Patients to Specialists or Consultant Physicians" section 7 "Billing Procedures" and section 12 "Services Attracting Medicare Benefits".
- At the close of business of each day, transmission to Medicare Australia must be performed either by clerical staff or financial services, depending on the site, election and the type of system implemented.
- If a patient leaves without signing, the patient voucher should be printed and mailed to the patient for signing. Billing cannot occur until the voucher is returned. Hence, clerical processes need to be robust to ensure that these patients do not leave without signing.
- A weekly reconciliation of patients and MBS items is recommended to assess the process.

### 4 Participating Consultants

- The Consultant and Hospital/Health Service **must** ensure that the criteria for treatment as a PRNI patient are met.
- Payment arrangement and other relevant matters are set out in the "Medical Practitioners (Right of Private Practice – Non-Inpatient) Determination Number 1 of 2005". That Determination is taken to form part of the Business Rules for the Privately Referred Non-Inpatients Model.
- Participating practitioners are able to access the Department of Health's medical indemnity and protocol scheme covering patients treated under the initiative. The Protocol commits the State to provide support to Consultants working in the PRNI in the event of a defined action by Medicare Australia.

Dr Neale Fong  
**DIRECTOR GENERAL**  
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<sup>1</sup> [http://www.medicareaustralia.gov.au/resources/medicare/hic\\_mediguide\\_0206.pdf](http://www.medicareaustralia.gov.au/resources/medicare/hic_mediguide_0206.pdf); p36