

Claiming

on

Consumables

Uncertain about the Medicare rules on charging for bandages and other consumables? **Margaret Faux** outlines your options.

'So, can you bulk bill AND charge a gap on the same consult?'

During a recent webinar for GPs on the subject of MBS items I had just completed my presentation, which included a variety of nuts and bolts issues on billing such as Medicare's legal framework, the doctor's responsibility for claiming and the mechanics of a bulk billing transaction, when a participant put up his electronic hand and asked the above question.

You got me there, I thought to myself. What could he possibly mean and is this a trick question? I thought I had been clear in my explanation and references to the legislation:

- Legal authority is s20A of the *Health Insurance Act 1973*.
- Step 1: Patient assigns his/her right to the Medicare rebate to the doctor.

- Step 2: Doctor accepts that rebate in full payment for the services rendered.
- Only exception is the provision of certain vaccines, which can be charged separately.
- Has been confirmed in obiter comments by the High Court in *Wong v Commonwealth* and is clearly set out both in the MBS and on the Medicare website.

But my electronic inquisition continued as others followed with questions about charging \$20 gaps, administration fees and charging for bandages and other consumables when bulk billing a professional service.

TAKING CHARGE

Of course, the answer to all of these questions was a resounding "No". With the exception of the listed vaccines, if you are bulk billing a single professional service,



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the amount you will receive from Medicare is the only amount you are legally permitted to receive for that service. End of story.

Then one participant specifically asked if it was okay to ask patients to buy their own bandage from the local chemist and bring it with them. It was an interesting question that reminded me of the following comment made by a GP attendee at a course held by the Private Practice a few years back:

If we bulk bill item 23, we get \$35. The cost price of our bandages is \$10 and we have no interest in making a profit on them. But if we cannot charge for the bandages we use, then the net amount to our practice for providing a service that includes a bandage would be \$25, which wouldn't even cover our costs for providing the service. The patients are happy to pay for the bandages but would not be happy to pay for the services, particularly those long-standing patients of our practice whom we have always bulk billed. I'm not sure how to manage it and how it fits into the context you just explained, being that we are free to set our fees.

He was right. Doctors in Australia are free to set the fees for their professional services. It's not what you charge but how you charge it that matters, and if you choose to bulk bill you have essentially opted out of the 'set your own fee' option for that particular service.

If you want to charge a fee above the Medicare rebate, you have to do

it another way, which is referred to as a 'patient claim'. There are three legal options available for processing these claims. All three require you to issue an invoice to the patient for the full amount of your fee, then:

1. The patient pays you in full and claims the available rebate from Medicare.
2. The patient pays you in full then you submit a claim to Medicare on behalf of the patient, indicating the paid invoice. Medicare will pay the available rebate to the patient either by cheque or direct bank deposit.
3. You ask the patient to pay only the gap between your fee and the available rebate. A claim is then submitted to Medicare representing the full amount of the invoice and showing the gap paid by the patient. Medicare will issue a cheque payable to you for the rebate. But because Medicare must post the cheque to the 'eligible person', it will be sent to the patient, who will forward it to you.

SETTLING ON A SOLUTION

There were a few solutions to the questioning GP's dilemma. One was to start charging gaps on the day, using one of the three available patient claim options, but this particular GP felt that would not work well given the demographic of his practice – in fact, he thought it may actually turn patients away.

Another option, given his belief that his patients were happy to pay

for the bandages, was to ask them to BYOB (bring your own bandage). He expressed some discomfort with this option initially but concluded that, in his practice environment, it was a better solution than introducing gaps.

So, the answer to the webinar question was therefore also "Yes".

Although there will be many reasons and contexts whereby it won't be appropriate to adopt a policy requiring patients to purchase their consumables, and many practices will continue to be happy absorbing the cost of the occasional bandage, there is nothing in the legislation to prohibit this practice.

And well-trained patients will no doubt turn up with bandages in their handbags, pockets and briefcases. On the flip side, of course, others may turn up empty handed, and then it's back to patient claims or bulk billing and absorbing the cost of consumables. ^(D)

