
Setting Medical Fees and Billing Practices 2017

- 1.1. As highly trained professionals, medical practitioners are free to place their own value on their professional skills and expertise, and determine what they consider to be a fair and reasonable fee for the services they provide.
- 1.2. The *Competition and Consumer Act 2010* requires medical practitioners to set their fees independent of other medical practitioners, unless otherwise authorised by the Australian Competition and Consumer Commission.
- 1.3. In setting their fees, medical practitioners should also take account of their practice costs. The cost of running a medical practice varies across the country and within specialties. Practice costs include but are not limited to, wages for practice staff, rent, electricity, computers, continuing professional development, practitioner registration, practice accreditation and professional indemnity insurance.
- 1.4. Medical practitioners should also satisfy themselves in each individual case as to a fair and reasonable fee having regard to their own costs and the particular circumstances of the case and the patient. The AMA does not support exorbitant charges; fees that the majority of a practitioner's peers would consider to be unacceptable.
- 1.5. Medical practitioners are under no obligation to charge fees that are equal to the Medicare Benefits Schedule (MBS) fee set by the Government or the schedules of medical benefits set by private health insurers (private schedules).
- 1.6. All professional medical services provided should be billed, itemised and described with the applicable MBS item or the AMA List of Services and Fees (AMA List) item, for relevant services where there is no corresponding MBS item.
- 1.7. If a medical practitioner has signed a contract with a private health insurer, the billing requirements must be adhered to. Circumventing contractual arrangements by issuing a second, separate bill for a single course of treatment is inappropriate.
- 1.8. It is not uncommon for medical practitioners provide services altruistically and without a charge. The decision to provide services without financial benefit should be a decision made by the individual practitioner. In doing so, practitioners should also ensure they understand their legal liability and insurance coverage.
- 1.9. Indexation of the MBS and the private schedules have not kept pace with the costs of providing medical care. This is why patients may have out-of-pocket costs for medical services. The AMA List is indexed annually at a rate that takes account of the cost of providing medical services and is therefore

higher than the MBS and private schedules. The AMA List guides members in setting their fees with periodic indexation.

- 1.10. The AMA opposes the introduction of any legislation that prescribes or restricts the fees that medical practitioners must charge.
- 1.11. Medical practitioners should have a billing policy for their practice which includes:
-) when payment is required;
 -) any discounts available for early payment or charges for late payment;
 -) acceptable forms of payment; and
 -) the name of the person and contact details to discuss payment issues and problems.
- 1.12 Medical practitioners should document their fee setting and billing policies and make them available to their patients.
- 1.13 The AMA encourages good informed financial consent (IFC) practice and the provision of information about medical fees to patients. Medical practitioners are encouraged to review AMA's Position Statement *Informed Financial Consent (2015)*.

Adopted 2015.
Revised 2017.

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