

1. About the Uniform Patient Fee Schedule

1.1. Introduction to the Uniform Patient Fee Schedule

The Uniform Patient Fee Schedule has been developed to provide a simpler charging mechanism for public sector hospitals. These tariffs are applicable to all private and private hospital patients. Many hospitals currently treat patients for whom external funding for their treatment is available. The UPFS replaces the itemised billing approach with a grouped fee approach.

The Uniform Patient Fee Schedule was designed with the following objectives in mind:

- It must be simple to implement in both manual and computerised systems
- It should be based on health service activities (activity-based costing)
- Linked to BHF Scale of Benefits for initial purposes
- It must be easy to adjust for changes in cost structure
- Different levels of health service delivery should be taken into consideration
- The schedule must be complete.

1.2. Basic Principles of the Uniform Patient Fee Structure

1.2.1. Facility Fee

All tariffs with the exception of anaesthesia are divided into two components. The first component is termed "facility fee". This component of a tariff reflects the overhead costs of providing the environment in which the healthcare service is delivered and is in line with the cost structures associated with Level 3 and Level 1 & 2 facilities. In this version of the UPFS, no distinction is made between facility fees levels for district and regional (Level 1 & 2) hospitals on the basis that there should be no significant difference in facility costs at these hospitals.

1.2.2. Professional Fee

The second element is the "professional fee" which is structured to reflect the costs of health care professionals delivering the service. These fees are charged whenever the health care professionals employed by the applicable provincial health department provide the services.

For the purposes of the UPFS the categories of health care professionals are:

- (a) General Practitioner. The General Practitioner fee should be added to the facility fee whenever the service is rendered by a general practitioner employed by the public health authority.
- (b) Specialist Fee. The Specialist fee should be added to the facility fee whenever a specialist employed by the public health authority is responsible for rendering the service to the patient.

Refer to Appendix 6.1 for the complete list of tariff values

- (c) **Nurse Practitioner.** The Nurse Practitioner fee should be added to the facility fee whenever the service is rendered by a nurse practitioner employed by the public health authority and they have overall responsibility for the treatment of the patient for the purposes of the episode.
- (d) **Allied Health Therapist.** The Allied Health Therapist fee should be added to the facility fee whenever the service is rendered by a clinical psychologist, social worker, physiotherapist, occupational therapist, speech and hearing therapist and other supplementary health professional employed by the public health authority. Paramedics also fall into the category of Allied Health Therapist.

Where more than one Healthcare Professional is involved in treating the patient, the fees for the highest category of professional is charged.

In some instances a private professional may treat a patient in a public hospital, eg, an eye specialist, may use the facilities in the local public hospital to treat day patients. Distinguishing between facility and professional fee elements of the tariffs allows hospitals to charge only the facility component when practitioners not employed by the hospital render the service in the public facility. In these cases the private professional will charge the patient for their services independently. Where private professionals are employed by the health authority to treat patients on a sessional basis, the hospital should levy the professional fee to the health care funder. No fee should be charged by the professional since they are already receiving payment from the health authority.

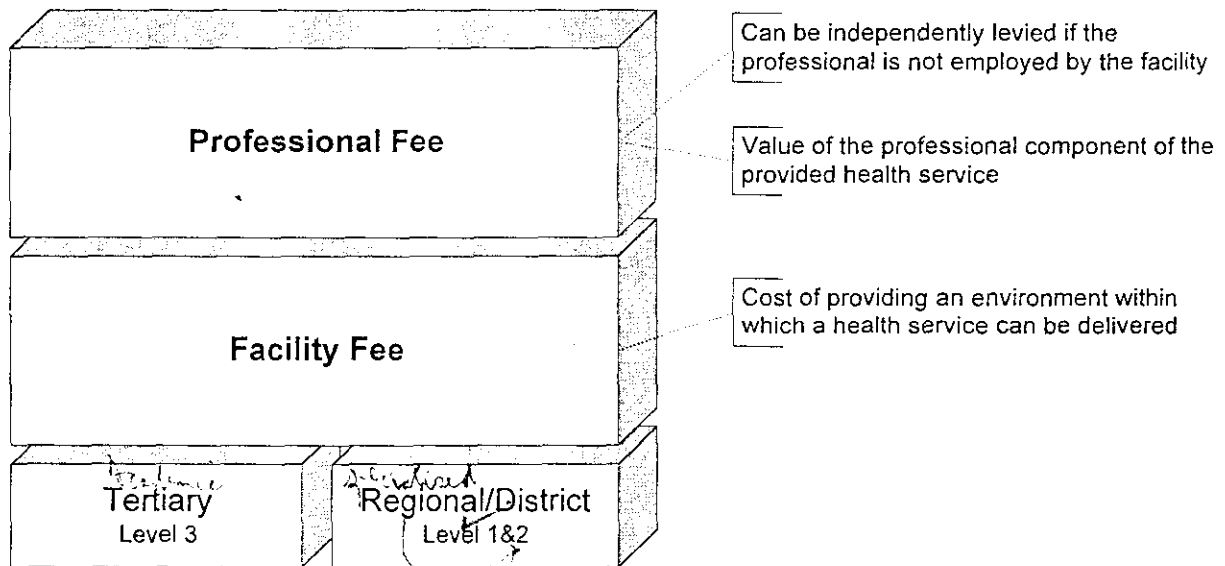


Figure 1: Basic Tariff Structure

1.2.3. Flat Fees

Most tariffs are based on a flat fee for services, rather than the itemised approach adopted in the past. The fees have been calculated to include overheads cost such as electricity and provision of general equipment as well as the cost of consumables. Account has also been taken of the salaries of support staff. The intention is to reduce the amount of items that appear on bills but to still reflect the value of the service being provided.

Refer to Appendix 6.1 for the complete list of tariff values

1.2.4. Categories of Service

For many of the tariffs, the possible services have been grouped into categories. Whenever this is the case, the fee to be charged is determined by the category into which a particular service falls. Examples of these tariffs are Ambulatory and Theatre procedures. More information on how to apply such tariffs is given in the specific tariff section later in this guide.

1.2.5. Itemisation

It has not been possible to completely remove itemised billing since some costs fluctuate too much. Itemised billing still applies to non-ward stock items, blood and blood products, laboratory tests and assistive devices (including prostheses). For both pharmaceutical and assistive device items, national price agreements exist. These price agreements have not been implemented as yet. In the case of pharmaceuticals the actual purchasing price (inclusive of VAT) plus 50% for overheads must be charged per item dispensed to patients until the list of charges on the national tender has been implemented. In the case of prostheses the prostheses utilised must be charged on an itemised basis. The actual purchasing price (including VAT) plus 15% for overheads must be charged per item (paragraph 6.4.1.2 of Part I of Chapter 18 of the Procedure Manual: Hospital Fees Structures refers). In the case of Assistive devices you are referred to Annexure B, Part I of Chapter 18 of the Procedure Manual: Hospital Fees Structure.

1.2.6. Relationship to the BHF Scale of Benefit

The BHF scale of benefit was used as the reference for developing the Uniform Patient Fee Schedule. The billing rules of this scale of benefit should be inferred where the UPFS does not make a rule explicitly.

1.3. National Support Unit

Support for the Uniform Patient Fee Schedule is provided by the UPFS project team of the National Department of Health. The team is responsible for working with Provincial Departments of Health to implement the UPFS. In addition, the team negotiates with various funding bodies to ensure the maximum impact of the UPFS.

1.3.1. Updating the Uniform Patient Fee Schedule

The Uniform Patient Fee Schedule is updated on an annual basis to allow for inflation. In addition, groups of tariffs are identified each year for a more fundamental review of their structure. Thus the complete Uniform Patient Fee Schedule will be assessed in detail every three to five years. This review function is performed by the UPFS project team in response to the information provided about the tariffs by the Provincial Departments of Health and other organisations using the UPFS.

Refer to Appendix 6.1 for the complete list of tariff values