

Question on Notice
No. 772
Asked on 24 May 2005

DR FLEGG ASKED THE MINISTER FOR HEALTH (MR NUTTALL)-

QUESTION:

With reference to the practice of Queensland Health doctors billing the HIC (Medicare) for the treatment of 'private patients' in Queensland's public hospitals-

- (1) Will he list, for each of the last three years available, the amount of revenue received by Queensland Hospital from the HIC for these services (listed separately for each year)?
- (2) Will he explain the mechanism by which such payments are received at Queensland Health (eg to which accounts are payments received) and what arrangements are in place to pay the doctors for these services to 'private patients'?

ANSWER:

In accordance with Commonwealth legislation Queensland Health does not receive revenue from the HIC for staff specialists treating private patients. Under contractual arrangements known as option A and option B, staff specialists employed by Queensland Health are granted the right of private practice. Pathologists are also entitled to participate in private practice under an arrangement similar to option A. Depending on the contractual arrangement, these staff specialists assign part or all of their private practice revenue to the Health Service District.

Under option A, participants assign all private patient revenue to the Health Service District, in lieu of being paid an allowance of between 35% and 45% of the medical specialist's base salary. Under option B, participants retain their private practice revenue less an amount deducted by the Health Service District to cover facility and administration charges.

The granting of private practice rights to public hospital staff specialists is nationally consistent and is acknowledged by the Australian Government under the Australian Health Care Agreements (AHCA). This is illustrated by the following note in the AHCA for the definition of a private patient:

"An eligible person who has been referred to receive outpatient services from a medical specialist exercising a right of private practice under the terms of employment or a contract with a hospital which provides public hospital services, is not a patient of the hospital".

These private practice arrangements enable staff specialists to earn additional income through the treatment of private patients outside their public patient commitments. Without them, Queensland public hospitals would find it even harder to compete against the private sector in the recruitment and retention of medical specialists.

Private Practice Billing Agencies facilitate the billing process for private patient services and receive private practice revenue.