

## **SAMPLE APPLICATION FOR 2<sup>ND</sup> TIER DEFAULT BENEFIT ELIGIBILITY**

An industry-based Second Tier Benefits Advisory Committee (the Committee) assesses applications from private hospitals and day surgeries and makes recommendations to the Minister for Health and Ageing on the eligibility of applicants to receive the benefit.

The Committee has expressed concern that some hospitals and day surgeries are submitting large quantities of unnecessary and irrelevant information, when the evidence required to be submitted is relatively straightforward. The Australian Private Hospitals Association, in consultation with the Committee, has prepared the following sample application for 2<sup>nd</sup> tier default eligibility to assist those facilities wishing to apply for 2<sup>nd</sup> tier eligibility.

The application includes samples of the evidence required by the Committee in order for hospitals and day surgeries to demonstrate compliance with the 2<sup>nd</sup> tier eligibility criteria. The comments in italics provide further information about the evidence required. In addition, applicants should:

1. Only provide what is necessary (ie there is no need for extraneous or additional material);
2. Ensure you provide what is necessary (ie include evidence that you meet *each* criterion);
3. Understand the requirements for: Informed Financial Consent Simplified Billing

Before applying for 2<sup>nd</sup> tier eligibility, facilities should first familiarise themselves with the document “**Administrative Arrangements for the Second Tier Default Benefits for Overnight and Day Only Treatment September 2015**”. This document is available in the *2015 Private Health Insurance (PHI) Circulars* area of the Department of Health’s website at:

<http://www.health.gov.au/internet/main/publishing.nsf/Content/health-phicirculars2015-64-attc>

Meetings of the Committee are held quarterly to consider applications for 2<sup>nd</sup> tier eligibility. Meeting dates and deadlines for submitting applications are advised through *APHA Vital Signs* and on the *APHA Website* [www.apha.org.au](http://www.apha.org.au)

Meeting date and deadline information, as well as updates on which hospitals are eligible for Second tier default benefits under Schedule 5 of the *Private Health Insurance (Benefit Requirements) Rules* (the PHI Rules), are also advised via Department of Health and Ageing PHI Circulars. These circulars include links to the most recent version of the PHI Rules listed on the ComLaw website. If you do not receive PHI Circulars, you may wish to contact the Department at the following email address: [phi@health.gov.au](mailto:phi@health.gov.au) and request to be added to the email distribution list.

### **Application Fee**

From July 2013, a fee will apply for applications for 2<sup>nd</sup> Tier eligibility.

The fee for 2<sup>nd</sup> Tier Default Benefit applications is \$1210 (incl GST) per hospital/facility. **This fee is waived for current members of the Australian Private Hospitals Association Limited (APHA).** Please note that where an application fee is payable, the Second Tier Advisory Committee will not consider an application until the fee is received.

N.B For an application to be valid, you must complete and attach the '2<sup>nd</sup> Tier Default Benefit Application Form and Tax Invoice'. A copy of this application form is available in the Industry Resources area of the [APHA website](#).

Please note that applicants are required to submit their application to the Committee via the Second Tier Portal at the following URL: <http://www.stacapplications.org.au/>

Further information regarding the process is available in the [Industry Resources area](#) of the APHA website.

If needed, a covering letter can be included with your application. The Secretariat can be contacted by email at [info@apha.org.au](mailto:info@apha.org.au) or by phone on 02 6273 9000.

### **DISCLAIMER**

The following information is provided as a guide only. While the Australian Private Hospitals Associations (APHA) has taken all reasonable care in producing this guide, applicants for 2<sup>nd</sup> Tier Default Benefits need to rely on the Administrative Arrangements for the 2<sup>nd</sup> Tier Default Benefits for Overnight and Day Only Treatment (see above).

Applicants for 2<sup>nd</sup> Tier Default Benefits are solely responsible for the accuracy and completeness of their application. In no event shall APHA be liable for any injury, loss or damage resulting from reliance upon this guide.

APHA members are able to contact the APHA Secretariat for guidance on 2<sup>nd</sup> Tier issues.

# **SAMPLE APPLICATION FOR 2<sup>ND</sup> TIER DEFAULT BENEFIT ELIGIBILITY**

## **Attachments**

1. State Licence
2. Commonwealth Provider Number
3. Accreditation certificate
4. Sample of simplified billing
5. Informed Financial Consent Form
6. Hospital Casemix Protocol

# Attachment 1 – State Licence

## Comments

You must attach a current copy of your hospital’s state licence or registration to satisfy this criterion.



Department of Health

Private Health Facilities Act 1999  
Private Health Facilities Regulation 2000

QDH2402/16  
File No: QCHO10461  
Receipt: 980

**Licence to Operate a Private Health Facility**  
for  
**Pty Ltd**  
licensee of  
**PRIVATE HOSPITAL**  
located at \_\_\_\_\_, QLD  
The health facility is a **Private Hospital** licensed for  
**90** total beds including 60 Mental Health Beds

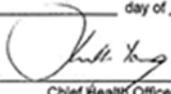
Services	CSCF Level	Services	CSCF Level
Alcohol & Other Drugs Service - Ambulatory	Lvl 4	Mental Health Services - Adult Services - Non-Acute Inpatient	Lvl 4
Alcohol & Other Drugs Service - Inpatient	Lvl 4	Mental Health Services - Eating Disorder	Lvl 6
Medical Services	Lvl 3	Mental Health Services - Older Persons Services - Acute Inpatient	Lvl 4
Medication Services	Lvl 4	Mental Health Services - Older Persons Services - Ambulatory	Lvl 4
Mental Health Services - Adult Services - Acute Inpatient	Lvl 4	Rehabilitation Services	Lvl 4
Mental Health Services - Adult Services - Ambulatory	Lvl 4	Sleep Disorder Services	Lvl 6

The licence is issued subject to compliance with the Private Health Facilities Act 1999 and the following conditions:

1. The conditions set out in s.48(1) of the Private Health Facilities Act 1999.
2. Compliance with the requirements contained within the Clinical Services Capability Framework (CSCF).
3. Provision of documentation as requested by authorised persons appointed under the Private Health Facilities Act 1999, for monitoring purposes.

This licence shall commence on the Fourth day of October, 2016  
The licence shall, unless sooner cancelled, suspended or surrendered, expire on the Thirtieth day of September, 2017

Dated at Brisbane this 29th day of September 2016

  
Chief Health Officer

**Attachment 2 – Commonwealth Provider Number**

**036594X**

**Comments**

You must quote your hospital's Commonwealth Provider Number to satisfy this criterion.

Please note that your Commonwealth Provider Number must be included within your application.

## **Attachment 3 – Accreditation certificate**

### **Comments**

Normally the only documentation required is a copy of your accreditation certificate.

### **Applicants holding accreditation awarded prior to 1 January 2013**

The Private Sector Quality Criteria have been incorporated into ACHS EQUIP accreditation requirements since 1 July 2003. Therefore if your facility has been accredited by ACHS since that date, attaching a copy of your current accreditation certificate will satisfy the requirement of this criterion.

If your facility is certified against ISO standards, the certificate must also state the facility complies with the “core standards for Safety & Quality in Health care”.

Please note that only “industry approved and accredited accreditation agencies” can assess facilities against the Private Sector Quality Criteria.

ACHS is accredited by ISQUA so is “approved and accredited”. If you are certified by an ISO provider, you need to ensure that provider is accredited by JAS-ANZ (this will normally be indicated on the accreditation certificate).

### **From 1 January 2013**

Applicants awarded accreditation or reaccredited after 1 January 2013 must meet The National Safety and Quality Health Service Standards, subject to the implementation timelines specified by the Australian Commission on Safety and Quality in Healthcare.

Details of these timelines are available at:

<http://www.safetyandquality.gov.au/our-work/accreditation/flexible-arrangements-for-2013/>

This accreditation must be provided by an accreditation agency approved by the Australian Commission on Safety and Quality in Health Care. A list of these agencies is available at:

<http://www.safetyandquality.gov.au/our-work/accreditation/list-of-approved-accrediting-agencies/>



## ACCREDITATION CERTIFICATE

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This is to certify that

THE AUSTRALIAN COUNCIL ON HEALTHCARE STANDARDS  
has accredited

*The Hospital*

Accreditation has been awarded against the  
National Safety and Quality Health Service Standards, with no documented  
exclusions, when surveyed on

*22-24 October 2013*

On this basis, ACHS Accreditation is awarded on 3 December 2013,  
subject to continuous evaluation and quality improvement until

*3 January 2017*

Services covered by the accreditation include:  
Acute services

President

Acting Chief Executive

## **Attachment 4 – Sample Bill demonstrating hospital and medical simplified billing**

### **Comments**

#### **HOSPITAL**

Attaching a de-identified patient account demonstrating that all hospital services are contained in a single account will satisfy the hospital simplified billing requirement.

#### **MEDICAL**

Please note that for medical simplified billing, hospitals are only required to demonstrate they “have processes in place that would allow the inclusion on in-hospital medical bills in a simplified billing arrangement.” Therefore, it is not necessary to actually be undertaking medical simplified billing on a regular basis, merely to have the capacity to do so.

Compliance with the medical simplified billing requirement of this criterion can be demonstrated in one of the following ways:

- Attaching a de-identified hospital account that includes amounts for medical bills (as per attached example)
- Providing written advice from a software vendor that the billing systems used in your hospitals have the capacity to include medical bills in the hospital account.

# XYZ Private Hospital

MEDIBANK PRIVATE  
GPO BOX 9999  
SYDNEY 2001

DUPLICATE INVOICE OF FEES ABN 91 623 837 539

Issued 5/ 4/ 02

Patient: Mrs JOSEPHINE MARY BLOGGS  
Admitted: 13/ 12/ 01  
Medicare: 1231231231

File No: PSEUDO#  
Discharged: 13/ 12/ 01

Date	Item	Description	Amount
13/12/01		Accommodation Fee - Band 3	300.00
	45659	Correction of Bat Ear	600.00
	45659	Correction of Bat Ear	200.00
		Start time 800, End time 925	
13/12/01		Dr. J. Briedis, Provider 0016325L: 14 Kensington St. Kogarah - SURGEON	0.00
	45659	Correction of Bat Ear	1360.00
	45659	Correction of Bat Ear	0.00
13/12/01		Dr. P. James Provider 048733Y: 57A Montgomery St., Kogarah - ANAESTHETIST	0.00
	0	Anaesthetist's fee for operation	608.70
	0	Pre-operative consultation (separate attendance)	0.00
		Total Fees	3068.70Dr

## PAYMENT SLIP

Please include this slip when paying your account.

CREDIT CARD PAYMENT  Bankcard  Mastercard  Visa

Card Number \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Expiry Date \_\_\_\_ / \_\_\_\_

Amount Paid \_\_\_\_\_ Signature \_\_\_\_\_

Cardholder name \_\_\_\_\_

Mrs J Bloggs  
1 Little Street  
Little Town 1001

Invoice Date 5/ 4/ 2002

Total Amount Due \$ 3068.70

## Attachment 5 – Informed financial consent form

### Comments

To demonstrate compliance with this criterion, you must attach a copy of the informed financial consent form used by your hospital. The informed financial consent form attached to your application may be de-identified or a dummy example, but must include actual dollar amounts to demonstrate that hospital staff understand how to provide informed financial consent using the form (see attached example).

To comply with Informed Financial Consent requirements, the form must detail in writing the following:

1. the hospital charges (in \$ amounts)
2. the Health Insurer benefit (in \$ amounts)
3. any out of pocket costs (in \$ amounts)
4. a space for the patient (or nominee) signature – confirming that they have been informed of, and understand the charges

It is **not sufficient** to show **only** the out of pocket costs. Informed financial consent requires that the patient is informed of both the actual hospital charges and actual insurer benefits – even where there is no gap.

It is acceptable to state that the costs shown are estimates only and may vary according to the length of stay, type of procedure actually performed etc. It is also acceptable to illustrate those out of pocket expenses that are Insurer agreed excesses and co-payments.

The form may include a statement outlining the charges that are not billed by the hospital for which a patient may receive a separate account.

**XYZ Private Hospital – Estimate for Hospital Services**

**Facility Information**

Facility Name	Facility Provider Number
<input type="text"/>	<input type="text"/>
Contact Officer	Contact Number
<input type="text"/>	<input type="text"/>

**Patient Information**

Patient surname	Given name
<input type="text"/>	<input type="text"/>

Patient's Address

Post Code

Patient's telephone

Date of Birth  /  /

Patient Sex      Male      Female

Patient's health insurance fund      Membership Number

Fund Table      Membership Verification Number

Date joined      Fund excess\$

**Procedure Details**

Date of Admission      23/6/02

Procedure	Item Number	Bed Charge	Anticipated days to be claimed (if per diem)
Lap. Chole	30455	\$550	1

**Hospital Quotation**

Hospital Fees			
	Estimated cost	Fund rebate	Patient cost
Accommodation	\$550	\$500	\$50
Theatre	\$2000	\$2000	n.i.
Consumables	n.i.	n.a.	n.i.
Other	\$200	n.i.	\$200
Fund excess	\$50	n.a.	\$50
<b>Total</b>	<b>\$2800</b>	<b>\$2500</b>	<b>\$300</b>

Patient / Guardian to complete

**Certification**

I, (insert name) \_\_\_\_\_

The patient or nominee named herein undertake to pay the patient payment as indicated, together with any unforeseen costs which may arise as a consequence of the procedure(s).

      /  /

Signature

Date

## **Attachment 6 – Hospital Casemix Protocol**

### **Comments**

To meet this criterion, applicants should include as part of their application a statement regarding whether or not their facility is able to provide hospital casemix protocol data to funds electronically (preferably by disk, CD, or e-mail), with claims.

Example wording: *“XYZ hospital has the facility to provide Hospital Casemix Protocol (HCP) data to all health funds electronically with claims”.*