



Co-payments – Information for Practice Managers*

The introduction of co-payments for GP clinics will signal significant changes for some clinics.

Currently the co-payment is just a proposal by government. Significant work will be required to get it through parliament.

AMA Victoria does not recommend that practices implement substantial changes to their practices in preparation for the co-payments until it is known whether they will be introduced and if there will be further exemptions.

The information below may assist you in assessing how the co-payment will impact your practice if it is introduced on 1 July 2015.

How will the co-payment be collected?

Details are yet to be released about how the co-payment will be collected. As the co-payment covers a Medicare rebate reduction no money is transferred to Medicare.,

GP co-payment

It is likely that the GP co-payment will be collected through your current billing system as it will be a “charge” to patients.

Pathology and Radiology co-payment

Most pathology and diagnostic imaging centres are not set up to collect any forms of payments. Whilst details are scarce it is possible that the GP clinic requesting pathology or imaging tests may be required to collect the co-payment on behalf of provider.

10 payment limit for concession card holders and under 16s

The government has said that they will implement a monitoring system that will be ready to go by 1 July 2015.

There are no details on how this system will work however it may mean that clinics will be required to submit claims to Medicare in real-time rather than current arrangements which may be daily or weekly. It is likely that there will be “teething problems” when the system is first introduced and clinics should be prepared to manage conflicts with patients who believe they have reached their 10 visit threshold.

What does this mean for my clinic/practice?

- All practices will need to implement, or have in place, billing systems that provide cash and electronic payment systems for patients, this will impact 100% bulk billing clinics significantly,
- All practices, if they do not do so currently, will have to decide if they will submit claims to Medicare on behalf of paying patients,
- All practices will need to review their current billing policies in advance of implementing them,
- All practices will need to ensure they communicate changes in billing practices to patients,
- Ensure that all clinic staff understand the changes and can communicate them to patients effectively.

* This sheet is designed to be read in conjunction with AMA Victoria's *Implementation of co-payments for GPs, pathology and diagnostic imaging* information sheet.



What else will I need to think about?

Some things you might need to consider as a practice or solo practitioner are;

- Can I afford to waive the co-payment for some patients and absorb the rebate reduction into my practice?
- Will I have to increase my fees for private patients?
- How much will I have to invest to ensure my clinic is able to collect payments?
- How will I communicate changes in my billing practices to patients?
- Will I need to increase my staff to cope with increased administrative burdens?
- Will I need to renovate or purchase additional equipment to manage increased billing?
- Will I collect cash? If so do I need to implement increased security arrangements?
- Will my insurance costs go up if I am holding more cash?
- Will I need to organise additional phone lines for EFTPOS machines
- Will I incur additional charges for electronic billing, such as bank fees, transaction charges etc.?
- Will my patients change the way they visit? Should I be prepared for longer, less frequent consultations?

AMA Victoria has prepared a series of information sheets which are available to download on our website via

[http://amavic.com.au/page/Member_Services/Policy_and_Media/Current_Issues/Federal_Budget_2014 - 2015/](http://amavic.com.au/page/Member_Services/Policy_and_Media/Current_Issues/Federal_Budget_2014_-_2015/)