

The financial cost of healthcare

INFORMATION FOR PEOPLE WITH CANCER AND FOR THOSE CARING FOR SOMEONE WITH CANCER.



For many people, the costs of cancer are a source of stress

There can be many costs during diagnosis and treatment, then during recovery or ongoing care. What you pay depends on the type of cancer you have, your care and how you access health services.

These expenses add up over time, and this may be a financial strain.

This guide has been developed to help you understand:

- Informed financial consent
- Difference between private and public healthcare
- Common out-of-pocket costs
- Factors that may influence what you pay

There is also a list of questions about costs, which may be useful when you are speaking to your healthcare provider or private health fund.

A healthcare provider is a doctor (i.e. GP, oncologist or physiotherapist) or service (i.e. hospital) that delivers care, providing consultation or medical services.

Informed financial consent

Healthcare providers are required to give you information about the cost of cancer treatment they are recommending.

Before you start treatment or are admitted to hospital, healthcare providers should:

- tell you their fee
- identify others involved in delivering the service, which may add to the cost
- help you identify any gaps or out-of-pocket costs
- answer your questions and make sure you understand
- get agreement that you are willing to proceed.

This is known as informed financial consent.

Although it is not always possible to know all the direct costs upfront, the healthcare providers should provide a written guideline or estimate.

Over time, you should have regular conversations about the costs. This is because your treatment plans or the costs may change, or you may receive care from different providers. This makes it less likely there will be any surprises about what you'll pay.

There is a Standard for Informed Financial Consent that outlines what is expected of healthcare providers. It defines the information that should be offered to patients and the key principles for informed financial consent. See www.cancer.org.au/financialconsent

Out-of-pocket costs

Healthcare providers set their own fees. They may charge more than the Medicare or private insurance rebate.

The out-of-pocket cost is the difference between what the healthcare provider charges you for a service and the amount reimbursed to you by Medicare and/or private health insurance. The difference is known as the gap.

The amount Medicare covers is set by the Government, not the doctor or other sources.

Some private health funds have gap cover arrangements to reduce or remove out-of-pocket payments.

COMMON COSTS

Neither public healthcare nor private health insurance covers every cost of care.

In the public system, some fees are not covered by Medicare. If the hospital can't provide the recommended service, the service may be outsourced, or you may be referred to a private provider. There may be costs for:

- surgery and for the anaesthetist

- diagnostic tests and imaging
- pathology services
- chemotherapy
- radiotherapy
- take-home medications
- dressings
- medical equipment.

Check with the healthcare provider. If you have private health insurance, also check what is covered by your insurer.

Indirect costs

Indirect expenses can be a significant portion of the overall costs of cancer. These include:

- hospital parking
- travel costs, including public transport or petrol
- accommodation, if you don't live near a hospital
- lost income and superannuation if you have time off work, reduce your hours or stop working
- lost income and superannuation if a family member has time off work, reduced hours or stops working to care for you
- caring expenses, such as childcare
- wigs and other items such as breast prosthesis or compression garments
- mental health services
- legal services
- long-term issues, such as disability, insurance coverage including travel
- other allied health services not covered by Medicare such as
 - occupational therapy, physiotherapy and massage
 - exercise physiology
 - nutrition, dental, optical services.

It can be difficult to avoid or reduce these costs, and they can add up quickly over time. However, there are community services that provide financial support.

Ask your hospital or healthcare provider, or call Cancer Council **13 11 20**.

Australia's healthcare system and deciding where to be treated

You can access cancer care through the public or private system, or a mix of both.

PUBLIC HEALTHCARE

Public hospitals and some community-based services provide high quality healthcare free of charge or at a low cost to people who have a Medicare card. These costs are paid for by Commonwealth and State or Territory Governments.

In the public system you cannot choose your doctor. Care is arranged based on need, so sometimes you may have to wait.

PRIVATE HEALTHCARE

The private health system offers choice beyond the public system. You can choose your healthcare provider and where you are treated, or to be treated as a private patient in a public hospital.

Anyone can access private care, but most people choose to purchase private health insurance to cover some of the costs. The level of cover depends on the policy.

The same cancer services are often available in the private and public systems.

MOVING BETWEEN SYSTEMS

You have the right to move between the private and public systems at any time. For example:

- you may have chemotherapy and surgery in a private hospital, where they maybe covered by private health insurance.
- you may then have radiotherapy in a public hospital, as it is not covered by private health insurance.

MEDICARE BENEFITS SCHEDULE

The Medicare Benefits Schedule (MBS) lists the medical services for which the government will pay a rebate. This helps patients afford cancer care.

PHARMACEUTICAL BENEFITS SCHEME

The government also helps pay for a range of medicines through the Pharmaceutical Benefits Scheme (PBS). If a medicine is PBS-listed, anyone who has a Medicare card can access it at a discount. When you fill a prescription under the PBS, the maximum amount you pay is the co-payment fee, which is set by the government. You may need to pay the full amount for medicines not listed on the PBS.

PRIVATE HEALTH INSURANCE

People with private health insurance are still entitled to care in the public system.

Private health insurance does not cover services provided out of hospital which are covered by Medicare (such as seeing a general practitioner). If you have recently changed health funds, waiting periods may apply.

If you decide to use private health insurance, you will be asked if you

would like to be treated in a private hospital or in a public hospital as a private patient.

If you are a private patient in a public hospital, Medicare covers 75% of the Medicare Benefits Schedule fee for medical costs. If the hospital accepts your private health fund's gap cover arrangements your insurance may cover the remaining fee. If not, you will pay the full gap or a set maximum amount as an out-of-pocket cost.

If you have private health insurance, you can choose if you would like to use it.

To make an informed decision:

- Ask what treatment is recommended and where it's available
- Find out what is covered by Medicare by asking your healthcare provider or checking the Medicare Benefits Schedule Online – see www.mbsonline.gov.au
- Ask your private health fund what is covered by your insurance policy, where you can be treated and if there is a waiting period.

COSTS FOR PEOPLE IN REGIONAL, RURAL AND REMOTE AREAS

If you do not live near a major city, it can be harder and more expensive to access health services.

You may need to travel for treatment and follow-up appointments, or your local general practice or pharmacy may be far from home.

Patient assisted travel schemes in each state and territory help people in regional, rural and remote areas cover some costs of travelling to and staying near specialist medical services for people in rural areas.

For more information about state and territory patient-assisted travel schemes, see www.cancer.org.au/support-and-services/practical-and-financial-assistance



What will I have to pay?

There are many factors that will influence your out-of-pocket costs:

PRIVATE HEALTH INSURANCE COVERAGE — Insurance policies range from basic (cover for a few services) to premium or top level (cover for all Medicare Benefits Schedule services as an in-patient). However, even the highest level of cover does not necessarily cover all direct costs.

GAP ARRANGEMENTS — Ask the service provider and private health fund about gap cover arrangements. If your insurance does not cover the gap, you pay an out-of-pocket cost.

MEDICARE SAFETY NET — When your out-of-pocket costs for care outside of hospital go over a certain amount (called the threshold), Medicare will pay more for these services for the remainder of the calendar year. This is called the Safety Net and resets to \$0 at beginning of each calendar year. You can register as a couple or family, which means you may meet the threshold sooner.

PHARMACEUTICAL BENEFITS SCHEME SAFETY NET — Similar to the Medicare Safety Net, the Pharmaceutical Benefits Scheme

Safety Net helps to reduce your costs for Pharmaceutical Benefits Scheme-listed medicines after you reach a certain amount in a calendar year.

NON-PHARMACEUTICAL BENEFITS SCHEME MEDICATION — The list of Pharmaceutical Benefits Scheme medicines is updated regularly, but it doesn't include all cancer drugs. If a drug is not approved for the Pharmaceutical Benefits Scheme, but is approved for use in Australia, you may be able to access it — but it can be very expensive.

For more information on Medicare or the Pharmaceutical Benefits Scheme, see www.humanservices.gov.au or call Medicare on 132 011

If you have a Pensioner Concession Health Card you have access to cheaper medicine, bulk billed doctor visits, and a bigger reimbursement for medical costs the Safety Net is reached.

Common myths about costs

There are common misconceptions about the costs of cancer. Knowing the facts will help you to make informed decisions.

⊗ **Public health is completely free.**

✔ Public hospitals may charge you for some services. If the recommended care can't be provided, the hospital can outsource parts of your care or refer you to a private provider (for which you may be charged). There may also be indirect costs for parking.

⊗ **Private health insurance will cover everything.**

✔ You may not be insured for all costs. There may be gaps or services that are not covered by your policy.

⊗ **Higher private insurance premiums mean high coverage.**

✔ You may assume that you have a high level of cover because you pay costly premiums or you've been a longtime policy holder. That is not necessarily true.

⊗ **Higher fees mean higher quality.**

✔ Paying more for care does not necessarily mean you are receiving better care.

⊗ **I have to use my private health insurance.**

✔ You can choose to receive care in the public system. You should not be forced to opt out of the public system and use private health insurance.

⊗ **I have to choose either private or public.**

✔ You can be seen in either system and switch between them. There may be occasions when you can claim Medicare benefits and also use your private insurance.

⊗ **There are no financial support options.**

✔ There are ways to make care more affordable. For example, the Medicare and Pharmaceutical Benefits Scheme Safety Nets can reduce expenses. Some service providers arrange payment plans or discount their fees for people who are unable to pay. Community support services may help reduce costs.

Question checklist

Asking questions about costs can help you understand your options and make an informed decision. This list provides suggested questions you may want to ask a new healthcare provider.

- What are your fees?
- Is there a booking fee?
- Can I get this service for free or at lower cost elsewhere? Are the costs negotiable?
- Can I be treated as / see you as a public patient?
- Can I have a written estimate? Can this be itemised?
- Will I have any out-of-pocket costs?
- If the costs change, when will you let me know?
- Can I pay in instalments or have more time to pay? Do you charge interest?
- Are there other fees for related services? If so, how can I find out more information about this?
- Are there other treatment options that are as effective, but cost less?
- Is there someone who I can speak to about my financial situation and receive financial support?

For more cancer information and support, call Cancer Council's **13 11 20** hotline. Specifically trained staff can answer questions and talk about the range of support services available to you.

PRIVATE HEALTH FUNDS

- What is covered by my insurance policy? Do I have to serve a waiting period?
- What are the gap cover arrangements? (Also ask the healthcare provider or hospital if they will accept your fund's gap scheme.)
- Will I need to pay an excess, co-payment or any other charge?



We would like to thank the contributions of consumers from Breast Cancer Network Australia and Consumers Health Forum for informing this resource.

More information

For cancer information and support, call Cancer Council on **13 11 20** or see cancer.org.au/financialconsent



Collaborative initiative of Breast Cancer Network Australia, Cancer Council, CanTeen and Prostate Cancer Foundation of Australia.