Standard for informed financial consent

Developed between Cancer Council, Breast Cancer Network Australia, CanTeen and Prostate Cancer Foundation of Australia

Contents

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Executive summary

The purpose of the standard for informed financial consent ('the standard') is to guide doctors and health service providers to deliver quality care by providing information about all treatment options and their financial implications, both direct and indirect, and ensuring that service charges are understood by the patient prior to undergoing treatment. This is a voluntary standard but it is hoped that it will be widely adopted by doctors and practices.

The standard outlines the required elements to support informed financial consent. It will reduce the burden of hidden expenses and avoidable high costs for equivalent procedures conducted in the public system or lower-cost setting. It aims to reduce variation in the out-of-pocket expenditure of patients for like treatments and financial hardship attributable to a cancer diagnosis.

Revisions to the current policies set by the Australian Medical Association (AMA) and medical colleges, would better support doctors to have primary responsibility for facilitating informed financial consent with their patients. The standard guides doctors to be transparent about the fees they charge, open to having conversations about costs with patients and support patients to obtain cost information from additional service providers involved in their care. Doctors can be assisted by practice staff, but where the provision of information has been delegated, the doctor retains ultimate responsibility.

This standard focuses on facilitating informed financial consent by doctors in oncology diagnostic and treatment services offered to people with cancer, however it has broader application and can be adopted by other professionals and services.

Explanation

The Commonwealth Department of Health defines *informed financial consent* as 'the provision of cost information to patients, including notification of likely out-of-pocket expenses (gaps), by all relevant service providers, preferably in writing, prior to admission to hospital or treatment'[1]. It is an ongoing process and is revisited over time as treatment plans change, ensuring that the patient continues to understand their options and is empowered to make decisions about their care.

The American Society of Clinical Oncology's *Guidance Statement on the Cost of Cancer Care* recommends that '*patient-physician discussions regarding the cost of care are an important component of high-quality care*[2]. The standard reflects this component of high-quality care.

Doctors have a legal duty to warn patients of material risks inherent in a proposed treatment, including cost. This requires only the provision of significant and relevant information; however, there is an ethical and moral responsibility to disclose all the necessary information to support patient informed financial consent prior to treatment.

Financial disclosure is defined in the Australian health context as not only how much a procedure will cost but, crucially, whether there are alternatives that offer similar benefits at

[1]DoH. *Out-of-pocket expenses for private medical treatment (Informed Financial Consent).* 8 March 2017. Comm. of Australia.
[2] Meropol, N.J. et. al. *American Society of Clinical Oncology Guidance Statement: The Cost of Cancer Care.* 10 August 2009. JCO, vol. 27 (23) p. 3868-74.

less or no cost to the patient[3]. The omission of cost information reduces informed financial choice and increases the potential for significant financial and health disadvantage. Refer to actions under *Doctor – patient communication* within the standard for guidance on the elements to include in this conversation.

In Australia doctors set their own service fee. Private providers often charge a higher fee than that charged to private patients in the public sector. Private providers set their fees to not only cover the doctor's service, but additionally to fund services within their practice that support the practice to deliver comprehensive care but do not attract Government funding. This includes practice facilities and staff, and members of the clinical support team, such as specialist nurse consultants. This can represent a reasonable charge above the doctor's service. Private health insurance may cover additional expenses after the Medicare reimbursement however, these are individual arrangements such as through Gap Insurance Cover.

Provider decisions made at the commencement of treatment can be difficult to change later. For patients who begin their journey in the private system, the ability to meet ongoing out-of-pocket costs can become problematic. Patients considering or receiving care in the private system must be advised that some aspects of treatment may not be covered by their health insurance and that they can switch to public care at any point.

A higher provider fee is not an indicator of increased clinical benefit. There is no standard system to capture and report outcome performance in Australia. Therefore, the ability to benchmark and compare services, and measure improved performance over time, is limited. This restricts the patient's ability to assess quality outcomes when considering their care options. Other indicators of quality, including participation in multidisciplinary teams and College activities could be communicated to patients.

Shadow billing is the practice of separate invoicing for expenses that are not part of the bills submitted via Medicare or the patient's insurer. These fees may be termed a 'booking' or 'administrative' fee by the provider but are excluded from public records of fees paid, which then do not reflect the true cost paid for a service.

For this standard, an *excessive fee* is defined as a service cost above the fees published by the AMA on the List of Medical Services and Fees[4]. While Medicare scheduled fees have remained unchanged in recent years, the AMA produces a yearly list of services and the associated fee that it considers a fair charge for providing the service in Australia.

The standard requires the individual doctor, health service and broader health system to facilitate the principles within the standard.

Why Australia needs a standard for informed financial consent

Australia has a mixed healthcare system financed by public and private insurance, and direct contribution from patients for services not covered by insurance.

Cancer is often a complex and long-term condition. Treatment may require different doctors from various settings including, hospital, out-patient, community care, and can be delivered

[3]Currow, D & Aranda, S. *Financial toxicity in clinical care today: a menu without prices.* 20 June 2016. MJA, vol. 204 (11).
[4] Australian Medical Association. *List of Medical Services and Fees.* Accessed on 29 May 2018.

across both public and private sectors. These multiple service interactions can create fragmentation in the continuity of care, leading to confusion about who pays for which service, resulting in unexpected out-of-pocket costs. Services are increasingly offered in the private sector and patients may have a perception that all services and charges will be covered by their private health insurance.

Patients with private health insurance and patients with a recent cancer diagnosis report significantly higher out-of-pocket costs. Patients commonly cite travel costs, loss of income and direct costs of treatment as highest sources of out-of-pocket expense that influence their treatment decisions, leading to unsafe or sub-optimal decisions. Temporary and permanent changes to employment add to the experience of out-of-pocket expenses and if left unaddressed, can lead to financial hardship. People affected by cancer borrow money, access superannuation early, sell investments, re-mortgage assets, increase to their partners working hours, or increase a credit card limit to meet treatment costs or everyday living expenses.

Although the benefits and harms associated with treatment options are discussed with patients, some patients continue to experience unexpected costs after treatment. High out-of-pocket costs and prevalence of hidden expenses indicate that greater upfront transparency of fees and costs associated with treatment options is required.

Framing the standard

It is critical that doctors drive transparency and communication about service charges and cost with patients to encourage and enable patient participation in an informed discussion about their care options.

The audiences for this document are individual doctors and practices, the AMA and medical colleges. We seek the support of these stakeholders in promoting the standard and encouraging its adoption. Patients continue to be at the forefront of its development, and supplementary materials will be tailored to specific audiences, including patients.

This standard is one component of delivering quality care, to promote consistency in the provision of information, payment of gap fees and fulfilling the requirement of informed consent to treatment. These principles are not meant to be prohibitive or create additional burden on the provider however, they represent a standard of care to facilitate complete financial disclosure.

Principle	Action	Level of responsibility
Transparency of service details	Doctors participate in: • Public disclosure of average fees charged for each of the most common services billed by individual doctors; • Public disclosure of doctor's practice status (public or private or mixed); • Develop a process for a fee estimate for any treatment that includes all costs associated with all doctors involved in the delivery of care; • Develop a process to update patients about service fees if treatment plans change.	Individual doctor provides relevant information. Service level supports doctors to understand practice arrangements System level provides the platform on which to display the information.
Referral to independent information	As part of doctor - patient discussions about care options and cost, the doctor is required to inform the patient of available external resources related to financial costs, such as independent information on care pathways, health system costs and options, and other patient information resources that is appropriate to their needs, level of understanding and capacity to engage in their healthcare planning.	Individual doctor is responsible for making the patient aware and informing the patient. Service and system levels to support availability of resources
Doctor – patient communication	The patient has the right to ask the doctor about their charges, and related services expenses, and to be provided with full disclosure of these expenses. The doctor must strongly advise patients to ask about costs, to be active and engaged in decisions about their treatment and care. The doctor has a responsibility, under the requirement to receive consent, to engage in and/or initiate a conversation about expected costs and ensure the patient has understood their options prior to treatment. This conversation must include the following elements:	Individual doctor level

	• A private doctor discloses where the equivalent procedure and care can be provided in the public system as a no or lower-cost service alternative; • Disclosure of expected additional services associated with treatment such as diagnostic or anaesthetic services, hospital charges and medicines that will incur a fee to the patient; • Discuss the impact of different treatment options on indirect aspects of cost, including potential time off work due to side effects or intense treatment regimens. • Where feasible, discussion is held at a time, place, and in a manner that supports the patient's right to choose, providing them with sufficient time, information and support to do so.	
Transparency of benefit	A doctor cannot charge a higher service fee based on a claim of better outcomes than another service unless they are able to defend this claim with published evidence available to the patient.	Individual doctor level
Commitment across practice and community	A practice adopts a commitment to: • Full financial disclosure • No shadow billing, including booking fees • Inform patients about the Medicare reimbursement, and disclose gap fees • Working with other practitioners also committed to full financial disclosure • No upward fee adjustment based on greater capacity to pay	Individual doctor and service levels