

**CIRCULAR**

<b>File No</b>	97/290-2
<b>Circular No</b>	99/50
<b>Issued</b>	28 May 1999
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**CHARGES IN RESPECT OF NEWBORN BABIES**

This circular replaces 97/19.

The following information concerning fees and charging policy apply in the treatment of newly born babies. Changes have been made to billing arrangements for unqualified babies.

**Qualified Babies** (ie: those babies which meet the criteria listed under Section 3(2) of the Health Insurance Act 1973 )

- Accommodation Charges: Should be raised in accordance with the election made in respect of the baby. If no election is made, the baby should be non-chargeable until such time as an election is made on behalf of the baby. Charges should only be raised if the baby is classified as chargeable.
- Medical / Diagnostic Charges: should be raised against the parents if the baby is classified as chargeable. If the baby is classified as non-chargeable, no charges should be raised against the parents.
- Statistics: Bed days to be recorded as inpatient bed days, both occupied and accounting.

**Unqualified Babies**

- Accommodation Charges: Cannot be raised as the baby should be classified as 'non-chargeable' whilst unqualified. However, if a baby becomes qualified for any part of the period of stay, the rules relating to qualified babies apply but only for the period of qualification.
- Medical / Diagnostic Charges: Cannot be raised for services provided by a hospital appointed doctor or where a service provided by a private practitioner has been organised by the hospital as part of the overall service to an unqualified baby. However where a parent/guardian requests to have an unqualified baby examined by a private medical practitioner of their choice, the parent/guardian can be billed for these services. A Medicare rebate of 85% of the scheduled MBS fee then applies. The Commonwealth and the Health Insurance Commission (HIC) regard these services as being provided to a privately referred non-inpatient as an unqualified baby and NOT as an inpatient service for HIC purposes.

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- *In this situation it should be made clear to the parent/guardian requesting the service that it will not be provided as part of the overall hospital service but will in fact be a private contractual arrangement between the parent/guardian and the medical practitioner. When claiming against Medicare, the parent/guardian should be advised that the service was not provided as and cannot be claimed as an "In-hospital service" as per Section 3 of the current Medicare claim form.*
- **Statistics:** Bed days should be recorded as "unqualified baby bed days" for occupied statistics and non-charge bed days for accounting.

Michael Reid  
**Director-General**