

## INFORMED FINANCIAL CONSENT

The Royal Australasian College of Surgeons (RACS) considers it is a professional responsibility of all surgeons to obtain Informed Financial Consent (IFC) from their private patients. This is achieved by providing to their patients, ideally in written form, an IFC showing the full disclosure of any surgeon's specific costs including out-of-pocket expenses within a reasonable timeframe.

### PRINCIPLES

1. **Timeliness:** Surgeons should obtain their patients IFC prior to any medical treatment, where this is practicable. Information regarding a patient's fees and associated recoverable expenses should be given so that a patient can decide whether or not to continue with the procedure and with a specific surgeon.
2. **Avoiding negative perceptions of private practice:** Comprehensive IFC provided in advance is an ethical professional practice which respects the rights of the patient. Such actions can help to stem any negative perceptions associated with private medical practice. It may also assist the patient to avoid any negative financial implications if fair warning has been given.
3. **Private Health Insurance (PHI):** In-patient services, fees and additional costs may be larger than expected to some patients. Patients can become confused with the potential final cost of certain procedures and will need to be reminded that only a proportion of their fees are covered by Government (e.g. Medicare in Australia) and their private health insurers. Individual PHI policies will differ between patients with some doctors participating in known-gap or no-gap schemes. This will help lower any out-of-pocket expenses, and where absent, surgical fee negotiations are encouraged. Providing IFC to all surgical medical services to privately insured patients or self-funded patients in hospitals will assist in the transparency of any possible additional costs incurred.

### RECOMMENDATIONS ON INFORMED FINANCIAL CONSENT PROCEDURES AND PRACTICE

1. **Communicating Informed Financial Consent:** Any IFC begins with a dialogue between the surgeon, or their representative, and the patient. The aim is for patients to understand:
  - a. The potential portion of the fee for the surgical procedure, that they are responsible for;
  - b. That there may be fees associated with other medical providers in the treatment episode, including anaesthetists, assistant surgeons, pathologists, radiologists, pharmacy prostheses and allied health professionals;
  - c. However, where there are fees associated with other professional services, it is not the responsibility of the surgeon or their representative to provide specific information on the fees for these health care professionals, only to direct the patient where they may gather this information.
2. **Assistant Surgeon:** The surgeon may engage an assistant surgeon and if so should inform the patient of the following:
  - a. An assistant surgeon will be present;
  - b. A fee will be involved, and how this will be billed (either as part of the surgeon's fee or as a separate bill from the assistant directly);
  - c. The size of this fee and how much is 'out of pocket'.

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3. **Anaesthetist:** Where possible, the surgeon's rooms should attempt to promptly facilitate the exchange of relevant information by:
  - a. Providing an estimate of the anaesthetists fee;
  - b. Providing contact details of the assigned anaesthetist or the anaesthetic practice group to the patient suggesting that they should be contacted for their detailed information;
  - c. Notifying the assigned anaesthetist or anaesthetic practice with patient details and booking information.
4. **Alternative venues for care:** An important aspect of IFC is to inform patients that an alternative to private care can be sought in the public system. This may involve uninsured or self-funded patients as well as those with private health insurance.
5. **Variations in fee estimates:** IFC should provide any possible variations in costs due to unforeseen circumstances and variations that may be necessary in the course of the procedure and which may vary the fees incurred.
6. **Disclosure of other financial interest:** A surgeon should disclose any financial interests in facilities where the medical treatment is to be provided
7. **IFC Format:** RACS recommends that wherever practicable a surgeon's IFC should be written, signed and accepted.

### PROSTHESES CHARGES

While the vast majority of surgically implanted prostheses and devices are covered by private health insurance and attract full health insurance coverage, some prostheses may involve less than full insurance cover with a gap to be paid by the patient. This may vary depending on the private insurance arrangements and patients need to be informed where possible of any extra charges.

### EMERGENCY CARE

With a number of emergencies and exceptional circumstances it will not be possible to obtain Informed Financial Consent before the service is provided. In these cases, information about fees and additional costs should be provided to the patient as soon as possible after the service is provided or to relatives and family members at the time of admission.

### ASSOCIATED DOCUMENTS

RACS Informed Consent Position Paper  
 RACS Surgeons Fees Position Paper  
 A Patient's Guide to Surgical Fees – Five Things to Know (Australia)  
[RACS Code of Conduct](#)  
[Information, Choice of Treatment and Informed Consent](#) (Medical Council of New Zealand)  
[Good Medical Practice: A Code of Conduct for Doctors in Australia](#) (Australian Medical Council)  
[Informed Financial Consent – A Collaboration between Doctors and Patients](#) (Australian Medical Association)

**Approver:** Chief Executive Officer  
**Authoriser:** Professional Development and Standards Board

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