The WorkSafe Agent (the Agent) can pay the reasonable costs of private hospital services when required as a result of a work-related injury or illness under Victorian workers compensation legislation (the legislation). The Agent will periodically review a worker’s entitlement to private hospital services to ensure that the treatment and services remain reasonable for the work-related injury or illness and are payable under the legislation.

Background
Private hospital services can be provided in either an inpatient setting (requires admission to hospital for overnight stay) or an outpatient setting (does not require overnight stay in hospital and may be provided in a non-hospital location) and may be for acute (to stabilise and treat) or rehabilitation (to restore or improve function) purposes.

Private hospitals assign International Statistical Classification of Diseases and Related Health Problems, Tenth Revision, Australian Modification (ICD-10-AM) codes to all patients admitted to acute and rehabilitation hospitals. These codes note all the injuries, diagnoses or symptoms applicable to that hospital admission.

Inpatient admissions are given inpatient accommodation classifications by private hospitals to assist with billing, according to whether the admission is for acute or rehabilitation purposes.

Depending on the arrangement between the hospital and the WorkSafe, billing for inpatient admissions can include:
- fees for items/services that are grouped together to form the inpatient ‘bed fee’ and/or
- fees for items/services that are paid in addition to the bed fee.

Inpatient billing step-down periods apply based on the reason for admission and the duration of stay and differ between admission classifications.

For WorkSafe billing purposes, there are currently two types of private hospitals:
- arrangement hospitals
- non-arrangement hospitals.

An arrangement hospital is a hospital which has individually agreed fees payable by WorkSafe for services that may be provided to a worker. By agreeing to provide services to workers, the hospital agrees to adhere to the conditions set out in this arrangement.

A non-arrangement hospital is a hospital which has no previously agreed arrangement for fees and services for workers with WorkSafe. In providing services to workers, WorkSafe will pay the reasonable costs of hospital services for workers in accordance with this policy and WorkSafe’s Private Hospital Non-Arrangement fee schedule.

Definitions
In this policy:
- A private hospital is a hospital that is privately funded through payments by patients or by insurers, e.g. it is not owned by the state or federal governments.
- Inpatient services refer to treatment and other hospital services provided to workers which require admission to the hospital.
- Outpatient services are hospital services provided to workers who do not require or no longer require admission to a hospital.
- Acute hospital services are hospital services provided to workers following an acute injury or illness. Acute hospital services are expected to be used for short-term medical and/or surgical treatment and care.
- Rehabilitation hospital services are hospital services provided to inpatients or outpatients to improve a worker’s function.
- A Day Stay is a period spent in hospital with the expectation of at least one overnight stay.
- Day count refers to the number of inpatient bed days in a hospital admission, calculated on the number of nights (time past midnight) spent in hospital from the first day of the inpatient episode. When a worker is re-admitted to hospital within seven days of discharge (regardless of the change in classification or hospital) the day count will continue, taking into account previous days spent in hospital. When a worker is re-admitted after eight or more days from discharge, a new day count will commence from the first day of the re-admission.
- A bed fee is the fee charged for a worker’s inpatient admission, according to the reason for admission and the relevant fee schedule. The bed fee may ‘step down’ during a worker’s inpatient admission.

Note: This policy is a guideline issued by WorkSafe Victoria under Victorian workers compensation legislation in respect of the reasonable costs of services, and services for which approval should be sought from the WorkSafe Agent or self-insurer (as the case may be) before the services are provided.
• **A step-down period** is a defined number of days beyond which the bed fee reduces to a lower rate. The step-down period varies according to reason for admission.

**Guidelines**

**What can the Agent pay for in relation to private hospital services?**
The Agent can pay the reasonable costs of private hospital services in an inpatient or outpatient setting, for acute or rehabilitation purposes, when the services are:
• required as a result of the work-related injury or illness
• reasonable, necessary or appropriate in the circumstances
• clinically justified, safe and effective
• in accordance with WorkSafe’s guidelines
• payable by WorkSafe under Victorian workers compensation legislation.

**INPATIENT SERVICES**
The Agent can pay the reasonable costs of a bed fee and other private hospital inpatient services.
The following private hospital services are included in the WorkSafe inpatient bed fee:
• All accommodation costs in a shared ward. Note: WorkSafe can only pay for single room charges where a medical practitioner certifies that the single room is clinically justified and prior approval has been given by the Agent
• Nursing services
• Allied health services related to the acute hospital admission
• Dietary requirements including meals, naso-gastric feeds and dietary supplements
• Copy of admission information, operation report, discharge summary
• Aids and equipment used during the hospital stay
• Pharmacy items related to the hospital episode and required as a result of the work-related injury or illness
• Attendant and personal care support
• Treatment or services provided by third party providers i.e. non-hospital employed staff
• Consumable or disposable products.
The following private hospital services can be paid for in addition to the WorkSafe inpatient bed fee:
• Medical treatment provided by a registered medical practitioner. Refer to the WorkSafe Medical Practitioner Policy
• Surgically implanted prostheses costs in accordance with the Surgically Implanted Prostheses Policy
• Theatre fees, including all disposables and consumables required for operating room procedures
• Inpatient transport for a worker to receive treatment at another facility or for weekend leave from hospital.

Refer to the WorkSafe Travel Expenses for Medical and Hospital Services and Medical Reviews Policy
• Discharge medications (up to one month’s supply) related to the work-related injury or illness provided to a worker at the time of discharge.
• Discharge equipment related to the work-related injury or illness provided to a worker at the time of discharge
• Reasonable allied health services related to a rehabilitation inpatient admission as approved by the Agent
• Interpreter services
• Custom made orthoses or external prostheses where prior approval has been given
• Electroconvulsive therapy (ECT) for psychiatric admissions where prior approval has been given.

**Operating Theatre Procedures**
The Agent can pay theatre fees if a worker undergoes a procedure which has been allocated a band number in the National Procedure Banding List (the Banding List), published by the Australian Private Hospitals Association (APHA).

WorkSafe considers that the theatre fee covers the costs of all consumables, disposables and drugs required during a procedure, for the actual procedure and/or anaesthetic, unless otherwise indicated in the Banding List.

If multiple procedures are undertaken during the same occasion of theatre, a sliding scale is used to calculate the theatre payment required. For separate visits to theatre on the same day, the sliding scale applies independently to each occasion of theatre.

The Agent can pay theatre fees for multiple procedures undertaken during the same occasion of theatre as per the below sliding scale:

<table>
<thead>
<tr>
<th>Type of Procedure</th>
<th>% Paid</th>
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<tbody>
<tr>
<td>Highest Banded MBS procedure</td>
<td>100%</td>
</tr>
<tr>
<td>Next highest procedure</td>
<td>50%</td>
</tr>
<tr>
<td>Third and subsequent procedures</td>
<td>33%</td>
</tr>
</tbody>
</table>

WorkSafe can pay Band 1 theatre fees for approved dental procedures that do not have an allocated band number in the Banding List.

The Agent requires the principle surgeon to provide the hospital operation report as detailed in the WorkSafe Medical Practitioner Policy.

**Discharge Summaries**
To facilitate prompt payment of invoices, the Agent requires a discharge summary to be provided within seven days of discharge following an admission to an acute, rehabilitation or psychiatric facility.
Rehabilitation hospitals are required to include the total motor and cognitive FIM (Functional Independence Measure) scores on the discharge summary.

Inpatient accommodation classifications

Inpatient accommodation classifications are allocated by private hospitals for each admission to enable accurate billing for the worker’s hospital admission.

The applicable WorkSafe hospital admission classifications are:

- Advanced Surgical (AS)
- General Surgical (GS)
- Day Surgery (DS)
- Medical (M)
- Intensive Care Unit (ICU)
- Coronary Care Unit (CCU)
- Hospital in the Home (HITH)
- Psychiatric (PY)
- Rehabilitation (REH).

Acute hospital services - Inpatient

Medical admissions

A medical admission applies to a worker who is admitted for the purposes of receiving acute medical care and services.

Medical admissions are given a medical classification, determined using the ICD-10-AM code, which denotes the primary condition requiring admission, and the medical admissions ready reckoner provided by WorkSafe.

Surgical Admissions

A surgical admission applies to a worker who is admitted for the purposes of undergoing a surgical procedure and receiving post-surgical care. Surgical admissions are classified as either General Surgical or Advanced Surgical determined using the MBS item number appropriate to the surgical procedure performed and the Banding List.

The Agent can pay for an inpatient admission following a dental procedure under the General Surgical classification if the procedure does not have a corresponding surgical MBS item number.

When a worker undergoes more than one surgical procedure on the same day, the accommodation classification for the total period of hospitalisation will be determined by the surgical procedure with the highest MBS value.

Where there are multiple surgeries or procedures on different days during the same period of hospitalisation:

- If the MBS item number for the subsequent surgical procedure falls within a lower accommodation classification than the initial procedure, then the original patient classification and step-down period continues.
- If a worker’s accommodation classification changes whilst they are an inpatient, the change in details must be listed on the invoice, including the date in which it occurred.

Day Surgery Admissions

A Day Surgery admission applies to workers who are admitted to undergo a surgical procedure that requires observation in hospital however the worker can be discharged on the same day.

The Agent can pay for Day Surgery admissions in accordance with the explanatory notes which accompany the Banding List.

The non-band specified items in the Banding List will qualify for day benefits at the level of Band 2, 3 or 4 depending on anaesthetic type and, where applicable, theatre time. In the absence of theatre time being provided on the invoice, the Agent can only pay Band 1 ‘day only’ accommodation charges.

‘Day only’ Accommodation Bands are payable for Type C procedures only if medical certification is provided.

Intensive Care Unit (ICU) and Coronary Care Unit (CCU) Admissions

The ICU and CCU accommodation classifications only apply to hospitals that have an ICU or CCU that has been approved by the Department of Health, Victoria.

The ICU rate is payable up to a maximum of four days per hospital admission at a WorkSafe non-arrangement hospital.

Periods in an ICU or CCU are not taken into account for the purpose of calculating bed day counts for the step-down period.

If additional ICU/CCU bed days are required in excess of the number stated in the fee schedule, clinical justification and information supporting the need for ongoing accommodation in critical care should be provided to the Agent as soon as possible after admission.

Psychiatric Admissions

A psychiatric inpatient means a worker who is admitted into hospital for the purpose of undertaking a specific psychiatric treatment or program.

The admitting private hospital or treating medical practitioner must receive prior approval from the Agent, except where emergency psychiatric treatment is required.

As an emergency psychiatric admission is an exceptional circumstance, the admitting hospital is not required to obtain prior approval from the Agent (see
definition below). However, the hospital should notify the Agent of the hospital admission as soon as possible. Information to support the emergency psychiatric admission is required from the admitting hospital within three days of the admission and the Agent will expedite the approval where possible.

Emergency psychiatric admission is defined in this policy as the admission of a worker who is:
- at risk of self harm or harm to others, and/or
- experiencing extreme subjective distress, and/or
- causing extreme distress to their families or care givers
due to a work-related injury or illness, and is admitted into a private hospital as an emergency patient for the purpose of undertaking a specific psychiatric treatment program.

Hospital in the Home Admissions (HITH)
A HITH admission provides hospital inpatient type care that is delivered to workers in their private residence after a period of acute care in a hospital or instead of a hospital admission.

Injured workers who receive HITH are classified as inpatients (admitted patients) with the same rights and responsibilities as other private hospital acute patients. WorkSafe considers it reasonable to pay a HITH daily rate only on the occasions the treating hospital conducted a patient visit.

Prior approval must be sought from the Agent before admitting a worker to a HITH program.

Inpatient Rehabilitation
A worker is admitted to inpatient rehabilitation for the purpose of undertaking a specific rehabilitation program aimed at restoring or improving their function.

The treating medical practitioner must receive prior approval from the Agent for the rehabilitation admission. The ICD-10-AM code which denotes the primary reason for rehabilitation, determines the rehabilitation classification in accordance with the WorkSafe ready reckoner.

Note: For some WorkSafe arrangement hospitals, the allocated Australian National Subacute and Non-Acute Patient (AN-SNAP) classification determines the rehabilitation classification.

What information does the Agent require to consider paying for inpatient private hospital services?
Prior approval must be sought for all private hospital admissions (acute, rehabilitation and psychiatric) to avoid any delays in payment with the exclusion of emergency psychiatric admissions.

The Agent requires the following information in writing from the treating medical practitioner, or other clinical administration personnel for each hospital admission:
- the clinical diagnosis, injury or symptoms (in the absence of a diagnosis) resulting in the inpatient admission
- how the diagnosis, injury or symptoms relate to the work-related injury or illness
- the goals of the inpatient admission
- the proposed inpatient treatment plan and the estimated duration of inpatient admission
- the costs associated with the admission
- for inpatient rehabilitation admission only, clinical justification of the need for treatment detailing barriers to discharge home including medical, physical, mental health and medication needs. A provider template is available on the WorkSafe website.
- for psychiatric admissions only, details of any previous psychiatric treatment including inpatient psychiatric admissions and how any non work-related injuries or illnesses influence the psychiatric presentation and need for inpatient admission.

OUTPATIENT SERVICES
The Agent can pay the reasonable costs of private hospital outpatient services required for a worker as a result of their work-related injury or illness.

Outpatient Emergency Department
The Agent can pay an Emergency Department (ED) facility fee when the services have been provided by a hospital approved to provide emergency services by the Department of Health.

The ED facility fee is payable to cover the materials and administrative costs of services provided in an Emergency Department.

Medical treatment provided by registered medical practitioners can be charged on a fee-for-service basis in accordance with the WorkSafe Reimbursement Rates for Medical Services.

When the worker requires an inpatient admission, an ED facility fee is not payable. If the worker was seen at another hospital prior to being transferred to the admitting hospital, the initial referring hospital may be paid an ED facility fee. An ED facility fee is routinely paid only once per claim. The Agent may request additional information to support the payment of subsequent ED facility fees.

Rehabilitation services - Outpatient
The Agent can pay the reasonable costs of outpatient rehabilitation required for a worker as a result of his/her work-related injuries or illness.

The Agent can pay outpatient rehabilitation services on a fee-for-service basis, as specified in the relevant fee schedule. The cost of consumable or disposable items is included in the outpatient fee.

The hospital should submit their request for worker outpatient services to the Agent. Requests should be
submitted at least 5 working days prior to the proposed outpatient rehabilitation services start date.

What information does the Agent require to consider paying for outpatient rehabilitation?
The hospital must receive written approval for the liability and cost of the outpatient services from the Agent prior to the provision of outpatient rehabilitation services.
The private hospital should provide the Agent with the following information to assist them in determining the reasonableness of the outpatient service:
 medical practitioner request/referral for rehabilitation
 details of the allied health disciplines and number of services recommended
 outline of the worker’s current functional status
 discipline-specific goals that should be specific, measurable, achievable, relevant, and timed – SMART goals
 outcome measures to be used
 duration of the services
 the costs associated with the rehabilitation treatment.

Who can provide private hospital services?
Private hospital services can be provided by a private hospital:
 within the meaning of the Health Services Act 1988
 within the meaning of a law of another State or Territory, or
 outside of Australia if approved by WorkSafe.

When will the Agent respond to a request for hospital services?
Within 10 working days of receiving the request for hospital services, the Agent will advise the worker and the hospital whether:
 the request has been approved
 a component of the request has been approved
 the request has been denied, or
 further information is required to make a decision.
Where further information is required, the Agent will advise whether the request has been approved or denied within 10 working days of receiving the additional information.
To assist the Agent to make a decision regarding a request for private hospital services, the request may be reviewed by a WorkSafe Medical Advisor. The Medical Advisor may contact the requesting medical practitioner to seek further information and/or discuss the proposed treatment prior to making a recommendation to the Agent regarding the request. The Agent will respond to the request when they have received the Medical Advisor’s recommendation.

What are the WorkSafe’s invoice requirements?
Refer to the How to Invoice WorkSafe guidelines.

In addition to the above guidelines, for private hospital invoices the following information is required:

For inpatients:
 the admission and discharge dates
 the ICD-10-AM code(s) for each injury/condition treated that has been assigned by a clinical coder and in accordance with Australian Coding Standards
 the AN-SNAP class relevant to the worker’s admission (some rehabilitation hospitals only)
 the inpatient accommodation classification and rate
 theatre date(s), item numbers and fee for each service
 MBS item number and description of the procedure performed
 theatre band based on the Banding List
 complex theatre certificate, if applicable
 prostheses item number, description, quantity, date supplied and cost
 itemised list of discharge medications and dates dispensed

For outpatients:
 Outpatient item number(s) and description.

What fees are payable for private hospital services?
For fees for private hospital services provided by WorkSafe Non-Arrangement hospitals, refer to the Private Hospital Non-Arrangement fee schedule.
Fees for WorkSafe Arrangement hospitals are commercial in confidence with the individual hospital.

In relation to private hospital services, what won’t the Agent pay for?
The Agent will not pay for:
 hospital services for a person other than the worker
 Non-attendance fees where a worker failed to attend
 Additional fees associated with single room accommodation
 hospital services provided outside Australia without prior written approval from the Agent
 treatment and services unrelated to the work-related injury or illness
 treatment or services provided by telephone or other non face to face mediums where not provided for in the Medicare Benefits Schedule
 telephone calls and telephone consultations between providers and workers, and between other providers, including hospitals
 incidental items that occur as part of a worker’s inpatient admission, e.g. telephone calls, television hire, general toiletries, newspapers, visitor’s meals, etc.

Further information
Contact the referring Agent, email info@worksafe.vic.gov.au or refer to:
 How to Invoice WorkSafe
Policy for Private Hospitals

- WorkSafe Reimbursement Rates for Medical Services
- Reasonable Medical and Like Services
- Medical Practitioner Policy
- Elective Surgery Policy
- Equipment and Related Services Policy
- Surgically Implanted Prostheses Policy
- Travelling Expenses for Medical and Hospital Services and Medical Reviews Policy
- WorkSafe’s Online Claims Manual
- Medicare Benefits Schedule.
WorkSafe Victoria

WorkSafe Agents
Agent contact details are all available at worksafe.vic.gov.au/agents

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Email: info@worksafe.vic.gov.au

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