

**CMQ96-001**

**Permitted Patient Charges**

*Minute of the Commission #1147*

Pursuant to Section 17.1 of the *Medicare Protection Act* and Section 5(b) of the Regulations (BC Regulations 281/92):

- .1 A person may charge a beneficiary when related to the provision of a benefit:
  - (a) Therapeutic drugs, e.g. allergy injections, cortisone injections;
  - (b) Devices, e.g. pessaries, IUDs, crutches, splints, braces, tensor bandages;
  - (c) Material upgrades where the cost of the upgrade is significant relative to the cost of the standard item, e.g. fibreglass casts instead of plaster.
  
- .2 Patient charges are not permitted in the following categories:
  - (a) Consumable, e.g. examining gowns, tongue depressors, chemstrips, dipsticks for urinalysis;
  - (b) Rental charges for instruments/equipment used by the physician in rendering the service;
  - (c) Tray fees;
  - (d) Facility fees.
  
- .3 Where direct charges are permitted:
  - (a) Patients must be informed of the charge before the related benefit is rendered;
  - (b) Charges are permitted on a cost-recovery basis; i.e. direct sales are to be on a not-for-profit basis.

*Physician Enquiries About Permitted Patient Charges*

A physician's query regarding whether a patient charge is permitted for a particular item is referred to the Medical Consultation Branch of the Medical Services Plan (MSP) for adjudication.

If it is determined that the item can be considered part of the overhead component included in the professional fee (such as rental items, consumable items, facility fees) or the item is covered by a tray fee, patient charges will not be permitted.

If it is determined that the item cannot be considered a part of the professional fee or a tray fee, and is not a drug, device, or material upgrade, the status of the particular item will be referred to the Commission for review and decision.

*Members:*

*David S. Kelly (Chair)*  
*Keith J. Bennett*  
*Barbara R. Bluman*  
*Dr. David Bolton*  
*Dr. C. John Chacko*  
*Patricia K. Kaatz*  
*Kimberley L. McEwan*  
*Thea Vakil*  
*Dr. Brian Winsby*

CMQ96-002

**Economic Benefit  
from Extra-billing**

***Minute of the Commission #1148***

An enrolled physician who, either directly or indirectly derives an economic benefit as a result of a beneficiary being charged for an insured service above the Medical Services Plan approved rate, will be deemed to be extra-billing in contravention of the *Medicare Protection Act* (the Act). The Commission will take the appropriate remedial action pursuant to the Act.

Any physician with whole or part ownership, shares, or any form of economic interest in a facility where patient charges are levied in contravention of the Act, may be held legally responsible for billing activities of the facility and is subject to further action by the Medical Services Commission under Section 14 of the Act.

***MSP Procedures for Handling Complaints of Billing Contraventions***

MSP has adopted a procedure for addressing complaints about billing contraventions under the Act. Conditions for handling complaints include:

All complaints will be investigated, and where deemed a contravention, the physician will be notified in writing.

Repayment of funds will be requested.

Follow-up contact will be made with the beneficiary.

Each case will be dealt with on its own merits.

Complaints will be handled by the select group of MSP staff to ensure consistency in treatment of complaints.

Failure to correct the problem or repeated violations will result in action by the Commission under Section 14 of the Act.

Further action will include a 21 day notice of a hearing with possible penalties of mandatory de-enrollment from MSP. An appeal process is available to the physician.

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**Special Authority for  
Non-Referenced Drugs**

Under Section 17.1(1)(b) of the *Medicare Protection Act*, obtaining Special Authority for non-referenced drugs is considered to be a minor administrative process related to, and included in, the fee paid by the Medical Services Plan for the associated benefit, wherein the patient was assessed and a decision was made by the physician to treat the patient pharmaceutically. No additional charges shall be made to the patient for this administrative service.

Special authority is obtained by telephone, by fax, or by submission through the Pharmanet system. Processing and authorization is usually completed within one day.

The BCMA, Pharmacare, and the College of Physicians and Surgeons have reached consensus on revision of the Special Authority form for coverage of costs for non-referenced drugs. You will receive copies of the revised form in the near future.