

# Reasonable Charges

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This fact sheet is for all UniMed Members.

A reasonable charge is the cost of a medical treatment or procedure that we consider fair, based on regular reviews of what healthcare providers charge for the same or similar treatments or procedures across New Zealand.

Some healthcare providers charge more than others, which is why we set an upper limit while maintaining costs within a reasonable range.

The reasonable range helps to ensure that healthcare providers are charging fair and consistent prices. Enforcing reasonable charges is one strategy we've implemented to help reduce the escalating cost of claims now and in the future.

## Understanding your options:

- We always recommend applying for prior approval for medical treatment or procedures over \$1,000. This means you'll be aware of the maximum amount we can cover before you go ahead.
- If the cost is more than the reasonable charge, you can choose a different healthcare provider or discuss your treatment options with your provider.
- If you choose to proceed, you'll need to pay the difference between the amount we approve and the actual cost for the medical treatment or procedure, regardless of the benefit limit. You'll need to pay this extra amount directly to your healthcare provider.

For example, a surgery you need has a reasonable range of \$27,000 to \$33,000.

This means that we will pay up to \$33,000 (the upper limit).

In the unlikely event that your surgery costs more than \$33,000 and if you choose to proceed with that healthcare provider, you'll need to pay the difference directly to your healthcare provider.

*See over for Frequently Asked Questions*

## Frequently Asked Questions

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| <p><b>Are reasonable charges new?</b></p>   | <p>They have been in place for some time. We previously called them 'usual and customary charges' or 'reasonable and customary charges'.</p>   |
| <p><b>Why does UniMed have reasonable charges?</b></p>                                    | <p>Reasonable charges make sure that healthcare providers are fair with the amount charged.</p> <p>There can be a wide range of costs for the same or similar procedure around New Zealand. Enforcing reasonable charges is one strategy we've implemented to help reduce the escalating cost of claims now and in the future.</p>   |
| <p><b>How are reasonable charges calculated?</b></p>                                      | <p>For the same or similar medical treatment or procedure we look throughout New Zealand at the range of charges. We then set a reasonable charge and an upper limit for that medical treatment or procedure. This recognises that some healthcare providers charge more than others.</p>  |
| <p><b>How do I know if my medical treatment or procedure has a reasonable charge?</b></p> | <p>We will advise you of this in your prior approval, including the maximum amount we can cover.</p> <p>We always recommend applying for prior approval for medical treatment or procedures over \$1,000. That way, you know exactly what will be covered and usually this means we'll pay the provider directly.</p> <p>The easiest way to apply for prior approval is through your <a href="#">Member Portal</a>.</p>                                  |
| <p><b>What are my options if the cost is above the reasonable charge?</b></p>             | <p>You can choose:</p> <ul style="list-style-type: none"> <li>• a different healthcare provider whose costs are below the reasonable charge upper limit</li> <li>• to discuss your options for a different medical treatment or procedure</li> <li>• to proceed and pay the difference between the actual cost and the reasonable charge upper limit (regardless of the benefit limit). You'll pay this directly to your healthcare provider.</li> </ul> |
| <p><b>How do reasonable charges work with an excess?</b></p>                              | <p>If your policy is subject to an excess, this excess amount will be taken off the total amount that we approve for the procedure. For example, if the upper limit of the reasonable charge (approved amount) we will pay towards the procedure is \$10,000 and your excess is \$500, then the total we will pay is \$9,500.</p>  |