

Reasonable Charges

If your policy number starts with a number (not letters) this fact sheet is for you.

This fact sheet is for Members on Health Positive, Hospital Select Plus Modules, UniCare Advantage, ParentStay and other Health Plans or group insurance schemes issued by UniMed.

A 'reasonable charge' is the cost of a medical treatment or procedure that we judge to be reasonable. By that we mean that it falls within an agreed range of costs for the same, or similar, medical treatment or procedure under similar circumstances. Costs can vary by provider or region, and the agreed range is designed to keep things comparable and fair.

For medical treatments or procedures that have a reasonable charge applied to them, we look at the average cost as well as the range of charges of the same, or similar, medical treatments or procedures throughout New Zealand. We understand that some healthcare providers charge more than others, which is why we set an upper limit, while maintaining costs within a reasonable range.

For example, a surgery you need has an average cost of \$27,000 in New Zealand.

We set a reasonable charge for this surgery, with an upper limit of \$33,000. This means that we will pay up to \$33,000.

If your surgery costs more than \$33,000 you will need to pay the difference directly to your healthcare provider.

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.
- 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.

See over for Frequently Asked Questions

Frequently asked questions

Are reasonable charges new?	They have been in place for some time. We previously called them 'usual and customary charges'.
Why does UniMed have reasonable charges?	<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>
How are reasonable charges calculated?	<p>For the same or similar medical treatment or procedure we look throughout New Zealand at:</p> <ul style="list-style-type: none">• the average cost• the range of charges. <p>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>
How do I know if my medical treatment or procedure has a reasonable charge?	<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. The easiest way to apply for prior approval is through your Member Portal.</p>
What are my options if the cost is above the reasonable charge?	<p>You can choose:</p> <ul style="list-style-type: none">• a different healthcare provider whose costs are below the reasonable charge upper limit• to discuss your options for a different medical treatment or procedure• to proceed and pay the difference between the actual cost and the reasonable charge (regardless of the benefit limit). You'll pay this directly to your healthcare provider.