
Pregnancy Planning and Management Fee

From time to time patients may ask why they need to pay the planning and management fee when they pay individually for each antenatal visit.

The Federal Government introduced the “Planning and Management of a Pregnancy” Item Number 16590. This pregnancy management fee is to be charged only once during a pregnancy and only when the pregnancy has reached 20 weeks gestation.

The Medicare “Planning and Management of a Pregnancy” fee was first introduced when the Government realised many obstetricians did not make enough income from antenatal visits and delivery to cover the high overheads of running an obstetric medical practice. As well as all the usual costs associated with running a small business, there are large costs such as private medical indemnity insurance.

The planning and management fee also facilitates personalised pregnancy care. Personalised pregnancy care includes consideration of a patient's personal delivery preferences and also prompt quality management of any complications of pregnancy that occur. Such complications can have a considerable impact on the wellbeing of a patient and her baby.

The planning and management fee allows us to run our practice efficiently with minimal patient waiting time and inconvenience. It also allows our midwives and Dr Tan to see a patient whenever there is a problem between scheduled visits as well as being able to provide advice and care over the phone.

Planning and Management of a Pregnancy Example

Assume a planning and management fee of \$4,000

Medicare Rebate	\$275.50
Gap \$4,000-\$275.50	\$3,724.50
If you have reached your safety net, the extended limited payment of \$494.95 is refunded	
Gap \$4000-\$494.95	\$3505.05

A bit of history...

In April 2012 there were spiralling obstetric practice costs, mainly due to the rise of medical indemnity insurance premiums. A number of obstetricians had to cease practicing in obstetrics as the overheads in running a private obstetric practice were greater than their income. There were a number of reasons for the spiralling insurance costs including a largely unregulated legal system that resulted in increasing incidents of litigation and large payouts.

Another factor was the demise of HIH Insurance in September 2001, which was Australia's second biggest insurance company. HIH was the re-insurer for United Medical Protection (UMP), who in turn became non-viable and appointed a provisional liquidator in 2002. This left up to 60% of Doctors without professional indemnity insurance.

While the crisis that resulted in the introduction of the management fee has passed, the management fee remains an essential fee to maintain the viability of a private obstetric practice and the provision of quality obstetric care.

