

Financial consent reforms: understanding your obligations

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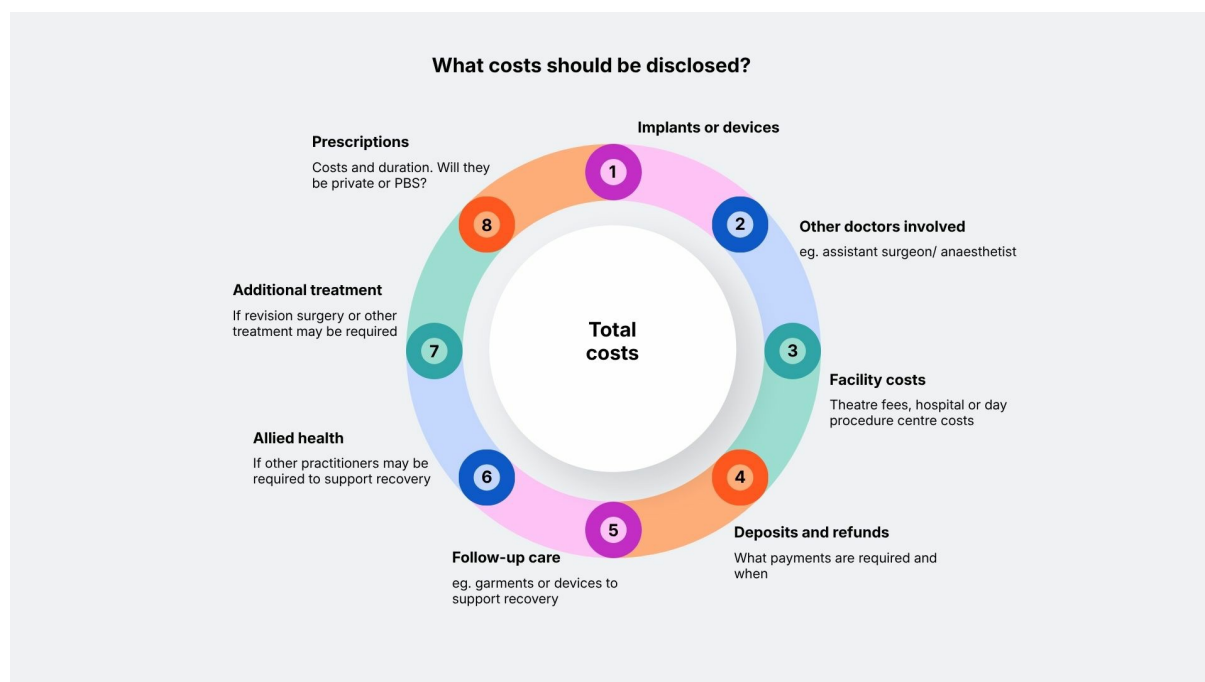
Recent reforms to the [Health Insurance Act 1973 \(Cth\)](#) are strengthening practitioners' obligations around informed financial consent, making it more important than ever to understand what is required and what happens when disclosure falls short.

What informed financial consent requires

Informed financial consent is an extension of the broader obligation to obtain informed consent. Patients must understand not only the clinical benefits and risks of a proposed treatment, but also what it will cost them: out-of-pocket expenses, gap fees, applicable Medicare rebates, and any uncertainty around final billing. In the case of dental or other surgical procedures, patients also need to be aware of the potential costs of follow-up care or maintenance costs. See Figure 1.

Patient demand for medicines that are not approved by the Therapeutic Goods Administration (TGA) is rising sharply. In response, health regulators (including the TGA, Ahpra and National Boards) are focusing significant regulatory attention in this area. For example, in response to increased importation, expanded online advertising and supply, and emerging safety concerns, the TGA recently announced that the use of illegal peptides in Australia will be a compliance priority in 2026.

Figure 1:



The Medical Board of Australia's [Good Medical Practice](#) Code of Conduct is clear: practitioners are responsible for ensuring patients are aware of fees before treatment is provided. The Ahpra Shared Code of Conduct imposes parallel obligations on dental practitioners. A precise quote is not always required, but transparency, communication, and documentation are. For cosmetic procedures, additional obligations apply, including that consent must be obtained personally by the treating practitioner at least seven days before the procedure.

"It's certainly not a requirement that you must be able to provide a precise figure of all out of pocket fees, but wherever possible, talk to patients about who else is involved in their care and advise patients to speak to specialists and their private health insurer (if relevant) so they can make the most informed decision possible," says Dr Owen Bradfield, Chief Medical Officer of MIPS.

The cost of getting it wrong

Regulators treat failures in financial consent as seriously as other breaches of professional standards. Practitioners who have not met their obligations in this area have faced findings of unsatisfactory professional conduct, reprimands, conditions on registration, practice audits, and in serious cases, suspension. Complaints about fees and financial disclosure are also among the most common reasons practitioners contact the MIPS medico-legal advice line.

Importantly, regulators have imposed sanctions against practitioners even where the treatment itself was competent but the patient's financial position and options were never adequately explored. This includes where fee estimates were not provided before treatment commenced, or where patient queries about costs were ignored after the fact.

Upcoming legislative changes

The Health Legislation Amendment (Improving Choice and Transparency for Private Health Consumers) Bill 2026, currently before Parliament, proposes significant reforms to fee transparency. The changes are expected to pass and take effect by late 2026 or early 2027, making participation in the Commonwealth Government's Medical Cost Finder website mandatory for practitioners and private health insurers.

Under the new framework, the government will publish comparable information on fees and expected out-of-pocket expenses drawn from Medicare and private health insurer data, with the aim of reducing bill shock.

"It may mean a slightly longer conversation with patients," says Dr Bradfield, "but it may also mean that patients are better informed and it can be a more sophisticated conversation. While some questions remain unanswered about how reliable the information will be at an individual practitioner level, it has the potential to reduce the risk of claims and complaints from patients about a lack of informed financial consent."

Practitioners should note that a single published average fee may not always reflect individual circumstances, reinforcing why clear and documented fee discussions remain essential.

Practical steps to protect your patients and your practice

Before and during treatment, consider the following:

- **Disclose costs early.** Provide itemised treatment plans with fees and estimates before treatment commences.
- **Address the full picture.** Where known, include the costs of devices, anaesthetists, assistant surgeons, facility fees, follow-up care, and foreseeable future maintenance. Explain what Medicare and Private Health Insurance may and may not cover. Be clear that final costs may vary and explain why.
- **Identify other providers.** Where you cannot specify another practitioner's fees, at least identify who else is involved so patients can make their own enquiries.
- **Discuss options.** For uninsured or financially vulnerable patients, consider whether treatment in the public system may be appropriate.
- **Document everything.** Record what information was provided, consent discussions, any patient queries and how they were addressed (not just that "IFC obtained").
- **Allow the patient time to decide.** Give the patient time to consider their options before committing to treatment, and be available to answer further questions (informed financial consent is an ongoing process).
- **Respond promptly.** A query left unanswered is a complaint waiting to happen. If a patient complains about the cost of treatment, alleges that they were inadequately informed of costs or requests a refund, please call MIPS at your earliest opportunity. Acknowledge receipt of the complaint while a more formal response is being considered.

Further resources

MIPS recently hosted a webinar dedicated to informed financial consent. To access the recording and earn one of hour of CPD (Educational Activity), [click here](#).

References

- Medical Board of Australia. Good medical practice: a code of conduct for doctors in Australia. 2020. Available at <https://www.medicalboard.gov.au/codes-guidelines-policies/code-of-conduct.aspx>

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- Health Insurance Act 1973 (Cth). Available at <https://www.legislation.gov.au/C2004A00101/latest/text/2>

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