

**Guideline
for the Acceptance of Electronic Signatures
for Private Health Insurance Eligibility and Claims in Australia**

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Developed by the



**Australian
Private Hospital
CIO Forum**

in consultation with

Private Healthcare Australia
Members Health Funds Alliance
Australian Health Services Alliance
Department of Health and Aged Care
Services Australia
Australian Commission on Safety and Quality in Health Care
Australian Digital Health Agency
Australian Private Hospital Association
Catholic Health Australia
Medical Software Industry Association

Guideline for the Acceptance of Electronic Signatures
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CONTENTS

SUMMARY	3
OBJECTIVES	3
CONTEXT	4
UPTAKE OF DIGITAL HEALTH BY PRIVATE HOSPITALS	5
“DIGITISING” PRE-ADMISSION, ELIGIBILITY AND CLAIMING PROCESSES	5
INTERMITTENT PUSHBACK OF ELECTRONICALLY SIGNED CLAIMS	5
GUIDELINE DEVELOPMENT	5
GUIDELINE	6
ELECTRONIC TRANSACTION LAWS	6
GIVING INFORMATION ELECTRONICALLY	6
DEPARTMENT OF HEALTH AND AGED CARE - MEDICARE TRANSACTIONS	7
RETENTION OF ELECTRONIC COMMUNICATIONS	7
MOVING FORWARD	8
ACKNOWLEDGING CONTRIBUTORS TO THIS GUIDELINE	9
AUSTRALIAN PRIVATE HOSPITAL CIO FORUM MEMBERS	10
CONTACT AUSTRALIAN PRIVATE HOSPITAL CIO FORUM	10

SUMMARY

This document sets out a guideline that aims to assist organisations within the private health industry for the adoption and acceptable use of electronic signatures and their continued roll out within new or enhanced systems.

They have been developed with the support of peak industry bodies to underpin broad acceptance for the use and formal recognition of electronic signatures on or attached to documents required across the private hospitals, day procedures, Health Insurers and Government agencies.

OBJECTIVES

The primary purpose of this guideline is to confirm the acceptability of electronic signatures when processing private health insurance transactions, including those relating to health fund eligibility and funding claims for patients undergoing an episode of care in a private hospital or day procedure centre, and outline why electronic signatures attached to documents may be considered valid.

Specifically, this document seeks to encourage stakeholders to **accept electronic signatures on or attached to those documents, as appropriate authorisation** by patients, clinicians and hospitals, where the requirements of the *Electronic Transactions Act 1999* (Commonwealth) (ETA) and relevant jurisdictional laws and regulations are met.

The scope of documents falling into this category includes:

1. Health Insurer claim forms
2. HC21 certificates – first page covering patient/assignor declaration
3. Booking and pre-admission paperwork
4. ICU Certificates, Neonatal Certificates, Rehab Certificates
5. 3B / Long Stay / Acute Care Certificates – for hospital stays longer than 35 days
6. Type B Certificates – for same day surgery cases that require an overnight stay
7. Type C Certificates – for procedures not normally requiring a hospital stay
8. Informed Financial Consent forms

Consistent with the Act we do not recommend one particular technology as meeting the requirements for an electronic signature but consider that the following technologies may be validly used (alone or in combination) for the purposes of signing electronically under the ETA:

- digitised version of a written signature, PIN or biometric technology;
- a user authenticated to a software system that includes industry accepted identity verification, account access protection and authentications methods, including user-name and password, multi factor authentication, biometrics and federated authentication frameworks; and
- eScanned signatures (where access to signature file is appropriately protected).

An additional objective is to allow for productivity improvement opportunities that arise from electronic transmission of data, automation and the transformation that is brought about by digitisation for both the provider, purchaser and third-party intermediaries.

Guideline for the Acceptance of Electronic Signatures for Private Health Insurance Eligibility & Claims in Australia

CONTEXT

During the SARS-CoV-2 pandemic both the Commonwealth and State Health Departments promoted virtual transactions and many businesses and individuals in Australia have adopted this approach over the last few years. However, even prior to this, the private health sector, in line with digital transformation projects, undertook and continues to seek ways to:

1. Improve the patient and carer experience
2. Automate the completion, authorisation and approval of information online
3. Reduce duplication and manual processes
4. Adopt procedures to help keep patients, their relatives and visitors, frontline clinical staff and support services safe
5. Improve the security and management of electronic data and maintain privacy.

Private Hospitals are an integral component of Australia's Health System. In Australia, Private Hospitals¹:

- provide 2 in 5 hospitalisations (40%) and treat 2 in 5 (40%) of all patients
- account for 1 in 3 (32%) of all patient days
- deliver Medical, Surgical, Mental Health, Oncology, Rehabilitation and Childbirth services
- treat over 75% of people admitted for Rehabilitation
- Private Psychiatric hospitals care for more than 39,000 people each year; and
- together with Day Surgeries, Private Hospitals:
 - perform 2 in 3 (66%) of Elective Surgery
 - perform 3 in 5 (60%) of Acute Surgery
 - perform 3 in 4 (75%) of Eye Surgery
 - perform nearly half (48%) of all Cardiac Surgery
 - deliver more than 2 in 5 (66%) care episodes where the patient is aged 65 or older

A key factor impacting private hospitals' operational efficiency is the difficulty in bringing about productivity improvements in a complex environment with limited coordination across the whole sector. Productivity improvements can be challenging to initiate and implement, requiring multiple parties to be represented and to agree to changes impacting the industry. In particular, the relationship, data exchange and workflows between private hospitals and private health insurers have a significant impact on business operations.

The Australian Private Hospitals CIO Forum² developed this guideline in the belief that coordinating industry support for the use of digital signatures will lead to eligibility and claims processing certainty as well as productivity improvements for private hospitals, private health funds and other industry organisations.

¹ APHA Private Hospital Service Provision statistics (Aug 2018) <https://apha.org.au/for-industry/industry-resources/the-facts-about-australian-private-hospitals/>

² The Australian Private Hospital CIO Forum is an independent, member-led Forum that has been providing its CIO members with a valued support network to share insights, challenges, and learnings since its establishment in 2004. In 2024 Forum members represent around 90% of Private Hospital facilities in Australia (excluding Day Surgery only facilities).

Uptake of Digital Health by Private Hospitals

The amount of data captured electronically by Private Hospitals continues to increase exponentially, however Private Hospitals are unable to match the level of investment in digital health seen in the public sector.

Private Hospitals participate in ECLIPSE (Medicare Web Services) and other online services including the My Health Record service, however many paper-based processes continue to be used, including in the pre-admission patient processes, bookings by admitting doctors, Hospital Claim Form and various clinical certificates such as ICU, Same Day and Acute Care certificates. Many of these processes lend themselves to digital signature, that may include authorisation, with the potential for productivity improvements together with improved governance and protection of sensitive data.

“Digitising” Pre-Admission, Eligibility and Claiming Processes

Several private hospitals currently use software such as EpiSoft’s pre-admissions portal (*epi-me*)³ to streamline their preadmission process. While the initial focus was the patient’s pre-admission paperwork, extended functions in the software allow payment of episode “gaps”, the admitting Doctor’s booking, and a digitally signed electronic Hospital Claim Form (eHC21).

In addition to the HC21 Hospital Claim Form, discussion and activity relating to digitising the following is occurring:

- ICU Certificates;
- 3B / Long Stay / Acute Care Certificates – for hospital stays longer than 35 days;
- Type B Certificates – for same day surgery cases that require an overnight stay;
- Type C Certificates – for procedures not normally requiring a hospital stay; and
- Informed Financial Consent.

At this point the Medical Consent form is not being considered.

Intermittent pushback of electronically signed claims

Several Forum members have experienced intermittent pushback from certain health insurers with respect to electronically signed claims including HC21 forms and ICU certificates.

In light of these issues, our Forum approached the Department of Health, seeking their assistance to:

- explore current guidelines and opportunities relating to digitising signatures required to complete claims and provide clinical service eligibility processing between private hospitals and health insurers; and
- help APHCIO Forum members to understand current activity and opportunities as well as pain points and challenges from a range of industry perspectives.

The Department of Health and Aged Care passed the Forum’s query to the Private Health Industry (PHI) Branch who expressed significant interest (with a particular interest in considering how Type C Certificates are handled). The PHI branch confirmed our view in relation to accepting electronic signatures and connected us with health fund peak bodies Private Healthcare Australia and Members Health Funds Alliance.

Guideline development

Following discussions with Private Healthcare Australia and Members Health Funds Alliance, it was agreed that the APHCIO Forum would draft this Guideline outlining how electronic signatures may be used for eligibility and claiming purposes.

It is our goal that the Guideline will be able to be provided in instances where there are queries on the acceptability of claims submitted electronically resulting in the delay of payment or the rejection of payment.

³ *epi-me* is a software product of EpiSoft Pty Ltd. The example is one of several products and systems available in Australia as an on-line patient portal.

GUIDELINE

The amount of data captured electronically in the private health industry has increased dramatically since the HC21 form was introduced. The governance of that data to appropriately manage privacy, confidentiality and cyber security is critical to all parties.

Electronic Transaction laws

The *Electronic Transactions Act 1999* (Cth) (**ETA**) applies to signatures required under a law of the Commonwealth. Where a signature is required under state or territory legislation, the equivalent electronic transactions act applicable to that state or territory applies (the state and territory laws are substantially identical to the Commonwealth ETA).

The Attorney-General's Department's *Electronic Transactions Act 1999* Information Sheet ETA allows a person to satisfy a legal requirement for a wet ink signature by using an electronic communication if certain conditions are met.⁴ The method used must:

1. identify the person and indicate their intention in respect of the information communicated;
2. be as reliable as appropriate in the circumstances; and
 - The ETA is 'technologically neutral' so it does not set out a particular electronic signature technology that may be used, providing flexibility for people and businesses to determine the signature technology that is appropriate to their particular needs.
 - Electronic signatures range from a digitised version of a written signature to a PIN or biometric technology. Courts have found a variety of methods meet the requirements of an electronic signature, including an email containing the printed signature of the person at the end of the message or by typing a name into the relevant document and confirming by email that it stands as the person's signature; and
3. be approved by the person to whom the signature is given.

Digital Signatures

Digital signatures are a type of electronic signature. The Attorney-General's Department's *Electronic Transactions Act 1999* Information Sheet states that 'Digital signatures' refers to Public Key Infrastructure (PKI) technology.⁵ A digital signature is a cryptographic technique that encrypts a hash or digest of a document with a user's private key. This creates a unique and unforgeable identifier that can be checked by the receiver to verify authenticity and integrity and provide for non-repudiation. In addition, the Australian Government Information Management Office (AGIMO) has published the Australian Government Authentication Framework (AGAF) to help identify suitable types of electronic authentication for transactions involving government agencies. AGIMO has also published 'Gatekeeper' which is a strategy for the use of PKI in the delivery of online government services, where appropriate.

Giving information electronically

Relevant to signing electronically is section 9(5) of the ETA which allows for the giving of information electronically if:

1. at the time the information was given, it was reasonable to expect that the information would be readily accessible so as to be useable for subsequent reference; and
2. the person to whom the information is permitted to be given consents to the information being given by way of electronic communication.

⁴ *Electronic Transactions Act 1999* (Cth), s 10.

⁵ [Electronic Transactions Act 1999 information sheet | Attorney-General's Department \(ag.gov.au\)](#)

Guideline for the Acceptance of Electronic Signatures for Private Health Insurance Eligibility & Claims in Australia

The ETA specifies that giving information includes:

- making an application;
- making or lodging a claim;
- giving, sending or serving a notification;
- lodging a return;
- making a request
- making a declaration
- lodging or issuing a certificate
- making, varying or cancellation an election;
- lodging an objection; and
- giving a statement of reasons.

Department of Health and Aged Care - Medicare transactions

The Department of Health and Aged Care has moved away from “wet ink” signatures for almost all elements of the Medicare scheme including:

- Assignment of benefit
- PBS prescriptions.⁶

Additionally, Medicare claims processed through Web Services, HPOS and Provider Digital Access (PRODA) do not require a manual ink signatures as they are all processed electronically and user authentication is verified either from Public Key Infrastructure or PRODA.⁷

When questioned, the view of the Department of Health and Aged Care is that health funds and other relevant parties should accept claims for benefits where the member has signed electronically, **providing the electronic signature is valid and enforceable.**⁸

For further context, the Department of Health and Aged Care also explained to us that Services Australia previously sought advice around electronic signatures with respect to the application to claim the Australian Government Rebate on Private Health Insurance (Rebate). Advice at that time stated that where a health fund elects to email the Rebate application form to the applicant and the applicant types their name in the form and sends it back to the health fund with an email indicating the intention, the typed name should stand as a signature, and in the absence of concerns about the identity of the person, this method is likely to be a valid and enforceable electronic signature under the ETA.

Retention of electronic communications

While the *Private Health Insurance Act 2007* (Cth) requires health insurers to retain rebate application forms for a period of 5 years from the date of receipt, each state and territory has different retention rules, with the average retention timeframe of 7 years. We seek to remind all parties to ensure that electronic copies of documents are not retained indefinitely.

⁶ Daniel McCabe, First Assistant Secretary, Benefits Integrity & Digital Health, Department of Health, email to APHCIO Forum on 15 February 2022.

⁷ Brian Kelleher, Assistant Secretary, Private Health Industry Branch, Medical Benefits Division, Department of Health, email to APHCIO Forum on 16 February 2022.

⁸ Email response from Brian Kelleher, Assistant Secretary, Private Health Industry Branch, Medical Benefits Division, Australian Government Department of Health to APHCIO Forum facilitator – 16 February 2022

Guideline for the Acceptance of Electronic Signatures for Private Health Insurance Eligibility & Claims in Australia

Moving forward

For the purposes of this Guideline, we consider that the following technologies may be validly used (alone or in combination) for the purposes of facilitating electronic signatures under the ETA:

- Electronic signatures ranging from a digitised version of a written signature to a PIN or biometric technology;
- A user authenticated to a software system that includes industry accepted identity verification, account access protection and authentications methods, including user-name and password, multi factor authentication, biometrics and federated authentication frameworks;
- eScanned signatures (where access to signature file is appropriately protected).
- additional new or emerging technologies.

Note that this list is not exhaustive and other forms of signing may apply.

We also seek consensus that the following forms may be completed and submitted in electronic format:

1. Health Insurer claim forms
2. HC21 certificates – first page covering patient/assign or declaration
3. Booking and pre-admission paperwork
4. ICU Certificates, Neonatal Certificates, Rehab Certificates
5. 3B / Long Stay / Acute Care Certificates – for hospital stays longer than 35 days
6. Type B Certificates – for same day surgery cases that require an overnight stay
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ACKNOWLEDGING CONTRIBUTORS TO THIS GUIDELINE

The Australian Private Hospital CIO Forum thanks the following individuals for their assistance in formulating this Guideline.

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Guideline for the Acceptance of Electronic Signatures
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