

Getting started - For brand new hospitals (only)

For claiming

1. You will need to have received your Hospital Provider Number issued to you by the Department of Health. Please note, this is separate to receiving a State Code. Please refer to the relevant circulars available via [PHI Circulars](#)
2. Once your Hospital Provider Number has been received, the provider number will need to be linked to your Minor ID. We will assist you with this process and provide the necessary Medicare forms to complete. However, this step cannot commence until the Hospital Provider Number has been issued.
3. You will then need to await receipt of your 2nd Tier Approval Letter.
4. Once this has been received, please advise us so **we can begin the process** of registering your facility with ECLIPSE for all eligible funds. This will allow your facility to begin submitting claims electronically.
5. Again, only once your 2nd Tier Approval has been received, **you will need to contact the health funds directly** to request your 2nd Tier rates. This is a separate process to the ECLIPSE Registration above, and unfortunately the health funds will not allow us to complete this step on your behalf.
6. Once received, please forward all 2nd Tier rates through to us so they can be loaded into FYDO. We will complete the initial set up of these fees; however, any future updates will need to be maintained internally by a delegate at your facility.

Coding

New hospital operators coming from a clinic environment may not be familiar with standard hospital patient workflow, which is generally:

- Pre-Admission
- Admission
- Discharge
- Coding
- Grouping
- Billing

The coding step in the workflow is completed by a trained Clinical Coder. The coder will review the patient's medical records and assign ICD Diagnosis and Procedure Codes to the episode. These are not MBS item numbers; they are an entirely different set of internationally recognised clinical codes.

For a claim to be submitted to a health fund, and for your facility to complete mandatory monthly data submissions, each episode must be coded.

As such, you will need to either employ a staff member with clinical coding qualifications or, as many hospitals do, engage a contract coder who completes the coding workload weekly or fortnightly. We generally do not recommend coding only once per month, as this can significantly impact cash flow due to delays in billing.

If you require recommendations for Clinical Coders, please let us know and we can provide contact details for coders currently used within our hospital community.

Grouper Software

In addition to being coded, each episode must also be grouped. Grouping is the process that assigns a DRG (Diagnosis Related Group) to an episode. DRGs are an internationally recognised classification standard.

A DRG is mandatory for ECLIPSE Claiming. Without a DRG assigned, the claim cannot be submitted electronically to the health fund.

Typically, once the coder has completed the ICD coding within FYDO, they will click a button that sends the patients details and assigned ICD codes to the grouper software. The grouper software then assesses the information and returns an appropriate DRG, which is saved back against the episode in FYDO.

Both the ICD codes and the DRG are transmitted to the health fund as part of the electronic claim.

FYDO integrates seamlessly with the TurboGrouper grouping software. If you require grouper software, please let us know and we can arrange a license for your facility.

There are some niche specialties where an experienced Clinical Coder may manually assign the DRG themselves; however, this would generally need to be discussed on a case-by-case basis with your Coder.

Health Fund Contracts

Charging within a hospital environment is very different to billing within a clinic or specialist rooms setting. At a minimum, most facilities will want to obtain 2nd Tier Accreditation, otherwise you may only be eligible to charge Minimum Benefits to health funds.

Ideally, you would negotiate individual contracts with each fund to secure improved reimbursement rates. However, it is important to note that some health funds may not enter into contracts with newly established hospitals immediately and may instead require the facility to operate for a certain period before negotiations are considered.

We do have contacts that specialise in health fund contract negotiations and hospital funding arrangements. If you would like assistance in this area, please let us know and we can provide you with some recommended hospital consultants.

For more information on the 2nd Tier registration process, see our informational wiki page: [Second Tier Private Hospital Registration Process - FYDO Wiki](#)

Register your hospital for Mandatory Monthly Reporting

Private hospitals are required to submit reporting data for each episode of care on a monthly basis. This data is generally reported to the following governing bodies and organisations:

1. **Private Hospital Data Bureau (PHDB)** - data submitted to the Commonwealth Government
2. **Hospital Casemix Protocol (HCP)** - data submitted to each health fund
3. **State Health Departments** - such as NSW health, QLD Health etc. depending on the state in which the hospital operates
4. **Cancer Registry** - only required for some Australian states

Please visit our wiki page [Data Extracts Setup](#)