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**AMA URGES CONSUMERS TO RESEARCH, COMPARE, AND READ
 THE SMALL PRINT WHEN PURCHASING PRIVATE HEALTH
 INSURANCE PRODUCTS**

AMA Private Health Insurance Report Card 2017

The AMA is urging consumers to do their homework before purchasing or changing their private health insurance (PHI) policies.

Launching the *AMA Private Health Insurance Report Card 2017*, AMA President, Dr Michael Gannon, said today that people should thoroughly research and compare the various and varied policies on offer to ensure they are getting value for money and, more importantly, that they know exactly what they are covered for in the event of accident, illness, or injury.

“Australian families now contribute a substantial proportion of their household income towards private health insurance, so it is important they know exactly what they are getting from their investment,” Dr Gannon said.

“Family budgets are under pressure with cost of living increases, which have been added to with this week’s annual increase in PHI premiums.

“The *AMA Private Health Insurance Report Card 2017* provides consumers with clear, simple information about how health insurance really works.

“It shows that there are a lot of policies on offer, which provide significantly varying levels of cover, gaps, and management expenses. There are a lot of policies on the market that do not provide the cover patients expect when they need it.

“If people have one of these ‘junk policies’, the AMA encourages them to check their policy matches their current and anticipated health care needs. And, if not, dump it for better cover.

“Our Report Card will help people to understand their product, and allow them to make changes to get better cover and better value for money.

“We show what insurance policies may or may not cover, what the Medicare Benefits Schedule (MBS) covers, and what an out-of-pocket fee may be under different scenarios.

“The Report Card also highlights that private health insurer benefits vary significantly between policies and insurance companies.

“Benefits vary State by State, so this year we’ve highlighted the percentage of hospital charges covered by fund in each State to help consumers better understand what they are buying.

“The percentage of services with no-gap are detailed State by State, and we reveal what each of the PHI funds has reported they spend on management and administration compared to what they pay out as benefits to patients.

“There is data on the level of complaints each fund receives, and we’ve also warned people about the dangers of doctor rating sites.”

Dr Gannon said that, although it is understandable that people are looking to save money, the AMA advises that they must not be deceived into downgrading to a junk policy.

“From the AMA’s perspective, junk policies should not exist at all.

“We need private health insurance to be simplified, we need it to be more transparent, and we need it to also cover the real costs of treatment – including the theatre fees, equipment, consumables, hospital costs, and staff time.

“The funds must put the interests of their policyholders first and foremost, and stop pointing the finger at doctors or pushing increased out of pocket costs onto patients when their products do not deliver what patients expect.

“Benefits for doctors represent less than 10 per cent of the money paid out by Australia’s biggest health insurer.

“We need to ensure that patients retain the right to choose the doctor that is right for them, and to have their treatment at a facility that suits them.

“Equally, we need to ensure that doctors can refer patients to the right specialist – not just the one that an insurer deems appropriate. Insurers do not know the difference between specialist and sub-specialist treatment.

“We must not end up with US-style managed care where a clerk in an office on the other side of the country, not the patient and their doctor, decides what care is affordable.

“Sometimes, preserving that choice might mean treatment in a public hospital. Products must preserve flexibility. Some of our best, most highly-trained doctors work in public hospitals.

“And for those in rural areas, it is often only the public hospital that is available. They should be able to use their insurance product as they need to.

“These decisions – these patient rights – are far too important to be taken away by insurers in an effort to further bolster their profits.

“The AMA wants this Report Card to be a catalyst for greater transparency and clarity from the private health insurers about their products, and a signal to consumers to thoroughly know their PHI product before signing up,” Dr Gannon said.

Since the release of the inaugural *AMA Private Health Insurance Report Card* in March 2016, the Government has established the Private Health Ministerial Advisory Committee to examine all aspects of private health insurance.

The *AMA Private Health Insurance Report Card 2017* is at <https://ama.com.au/ama-private-health-insurance-report-card-2017>

1 April 2017

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