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**Transcript:**

AMA President, Dr Tony Bartone, with Chris Kenny, The Kenny Report, Sky News Live, Tuesday 20 August 2019

**Subjects:**

Private health insurance

CHRIS KENNY:

Let's cross now to Melbourne and Dr Tony Bartone, who's the head of the Australian Medical Association. Thanks for joining us, Tony.

There's a report out today suggesting that we should be paying doctors less in order to reduce gap payments for those of us who are suffering gap payments when it comes to private medical insurance.

TONY BARTONE:

Good afternoon, and thanks for the opportunity. Look, this is really taking us down a path of folly. We know for a fact that the gaps occur because of, particularly, rebates from insurers, which have not kept pace with the cost of providing good quality care.

Now, what they're seeking to do here is to try and manage your care. That is, try and direct your care to the lowest common denominator in terms of who's- from a price perspective best to manage [audio skip] ... that's all they're interested in. They're not interested in your care. They're not interested in the level of quality that you're getting. They just want to manage your care to a price and therefore continue to make the increasing profits we saw yesterday, so exemplified brilliantly yesterday. And so, the gaps occur because those rebates have not kept pace with the cost of providing care and we know for a fact that if you compare funds, and you compare across the States and policies, those rebates vary considerably between the best and the least accommodating of the lot.

So, blaming doctors for the gaps is really quite a devious ploy to try and distract from their attempt to try and manage your care.

CHRIS KENNY:

Hang on a second, Tony. Are you saying doctors need to be paid more?

TONY BARTONE:

What I'm saying is that, at the moment, if you look at the APRA statistics, 88 per cent of all provided services are on a no-gap performance basis with the private health insurer. That means that they're taking whatever the insurer is providing as a rebate. In another 7 or 8 per cent of cases ...

CHRIS KENNY:

[Talks over] That's a good thing, isn't it? Then the problem with the gap is then it must be doctors charging higher rates.

TONY BARTONE: Well, this is the whole issue. In another 7 or 8 per cent of cases, there's a known gap, a pre-agreed gap as part of your policy - \$500 typically.

So that's 96 per cent of occasions there is either a no-gap or a known gap. And to say that we've got this situation based on 1 or 2 per cent of cases where there is a larger than expected gap by the patient because of numerous issues with the transparency and the product value of insurers because it kept a lot of those things - the exclusions and the carveouts and the restrictions - hidden from policy holders for many, many years so when they come to use it, guess what, it doesn't cover them for that.

And that's another reason for the surprise out-of-pocket costs that consumers face. A lot of the cost, a lot of the surprise, is when you think that you're covered for something and you find out that you're not covered or that you're actually having to put your hand in the pockets for more than you thought.

CHRIS KENNY: [Talks over] Well, that's right. It drives people nuts. People will have made a lot of sacrifices to pay their private health insurance so the last thing they expect is to have to pay a gap, but you get hit by it time and time again.

TONY BARTONE: But that gap is, in 96 per cent of cases, either a zero gap 88 per cent of the time, or a known gap, a pre-agreed gap, a very publicised gap when you just signed up to your fund and you know that you'll be up for the first \$500. Now, that's the kind of environment that we need to encourage, not trying to say- look to try and direct traffic to someone that manages your care to the point of ... more profits to the insurers, whose only modus operandi, for some of the larger listed private ones- public ... is basically to achieve exactly that.

CHRIS KENNY: Alright. Well, we might take up some of these issues again there in more detail another time. But thanks for joining us, Tony. Appreciate it.

Tony Bartone there, who heads up the Australian Medical Association.

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