

Australian Medical Association Limited
ABN 37 008 426 793

42 Macquarie Street, Barton ACT 2600: PO Box 6090, Kingston ACT 2604
 Telephone: (02) 6270 5400 Facsimile (02) 6270 5499
 Website : <http://www.ama.com.au/>



PATIENTS SHOULD BE ABLE TO USE THEIR PRIVATE HEALTH INSURANCE FOR TREATMENT IN PUBLIC HOSPITALS - AMA

The AMA is advising the Federal Government to reject any policy proposals that limit patients' ability to use their private health insurance for treatment in a public hospital, warning that such a move would restrict patient choice and further disadvantage public hospitals.

In its submission to the Government's paper, *Options to reduce pressure on private health insurance premiums by addressing the growth in private patients in public hospitals*, the AMA strongly rejects all of the options proposed.

AMA President, Dr Michael Gannon, said today that the options would have a negative impact on the health system and should be dismissed out of hand.

"The options raised in this paper would simply reduce the level of funding available to public hospitals in favour of private health insurers, and significantly reduce the health care choices available to privately insured patients," Dr Gannon said.

"Patient choice is a fundamental feature of our health system, which includes the option for patients to use their private health insurance in a public hospital.

"There are very good reasons why a patient may choose to use their private health insurance for treatment in a public hospital.

"In regional and rural areas, there may be no other option available due to the lack of private sector services.

"Public hospitals are also equipped to handle the most complex of cases and, in many cases, may represent the most appropriate clinical setting for treatment.

"It may also be the most cost effective option for a patient, particularly in light of the growing number of private health insurance policies with exclusionary features or excesses and co-payments.

"A patient may also wish to be able choose to be treated by a doctor who they have previously seen or know.

"There are also significant benefits that flow to public hospitals.

"In a constrained funding environment, the supplementary revenue generated from private patients makes an important contribution towards the recruitment and retention of medical practitioners, improved staffing, teaching, training, and research, and the purchase of modern new equipment.

"All these resources support and enhance the delivery of high quality care to public and private patients alike."

Dr Gannon said that the private health insurance lobby is guilty of blatant hypocrisy.

“On the one hand, the industry is offering and promoting public hospital-only private insurance policies, but at the same time objecting to more and more of their members opting to use their insurance in a public hospital.

“Insurers and governments only have themselves to blame for patients increasingly choosing to be treated as a private patient in a public hospital.

“The private health insurers offer a bewildering array of products, with varying levels of cover and many exclusions, which often leave patients confused and shocked when they find out that common medical procedures are not covered by their expensive insurance policy.

“This is compounded by the stagnation of the indexation of the Commonwealth Medicare Benefits Schedule (MBS) and medical fee schedules offered by the private health insurers.

“On top of this, public hospital funding has failed to keep up with community demand for services, with the Commonwealth and the States and Territories guilty of under-delivering in this area for many years.

“If the Government and the private health insurers want to see fewer patients opt to use their private health insurance in a public hospital, we will need to see significantly improved long-term funding for public hospitals, private health insurance policies that meet the common medical needs of consumers, and clear articulation of the different levels of coverage so that they are easily understood by consumers.

“If there is evidence of cost shifting, or concerns that private patients are jumping the queue in public hospitals, this needs to be addressed through stronger provisions and improved compliance arrangements in future COAG Hospital Funding Agreements.

“The development of a durable solution to this issue needs to be proportionate, and considered in the context of broader private health insurance reforms and future public hospital funding arrangements.

“This will require extensive consultation, including with the States and Territories which, in relation to private patients in public hospitals, appear to have had very limited input to date.”

The AMA submission is as <https://ama.com.au/submission/private-patients-public-hospitals>

22 September 2017

CONTACT: John Flannery 02 6270 5477 / 0419 494 761
 Maria Hawthorne 02 6270 5478 / 0427 209 753

Follow the AMA Media on Twitter: http://twitter.com/ama_media

Follow the AMA President on Twitter: <http://twitter.com/amapresident>

Follow *Australian Medicine* on Twitter: <https://twitter.com/amaausmed>

Like the AMA on Facebook <https://www.facebook.com/AustralianMedicalAssociation>