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Transcript: AMA President, Dr Tony Bartone, and Minister for Health, the Hon. Greg Hunt MP, Doorstop, Parliament House, Tuesday, 23 July 2019

Subject: The AMA's Informed Financial Consent (IFC) Guide

TONY BARTONE: Welcome everyone. Thank you for being here this morning and good morning. Thank you to Minister Hunt for launching our *Informed Financial Consent - A Collaboration Between Doctors and Patients* guide today. Today's announcement is all about empowering patients to understand medical fees and hospital costs and to ask questions. It's why we've called it a collaboration - it must be. It is important that patients clearly know how much they are paying for their surgery and treatment and what they get for their investment.

Informed Financial Consent means that patients know what their medical and hospital costs will be, and agree to that amount before the procedure commences. It provides a level playing field when discussing fees. The AMA has, for some time, been working to support doctors to improve their informed financial consent practices to educate the public and to inform the policy debate.

Our Informed Financial Consent Guide includes an Informed Financial Consent form for doctors and patients to use together, information on fees and medical gaps, and questions for patients to ask their doctors about costs. This is a major step in building health literacy - providing people with clear, easy to understand information to help them navigate the health system. It can only work as a collaboration between doctors and patients. It will help patients with their conversations about fees for their medical procedures. It will empower them to ask questions, the right questions. It will provide the answers to give them comfort as they go into surgery or treatment.

Most consumers understand that they may need to contribute to the cost of their care, but they do not know how to work out what these costs are. Too often, the first time they find out about some of the out-of-pocket costs is after they have lodged a claim with their insurer.

Complex care can be challenging. It can be daunting. Understanding the cost of your care should be neither of these. We need to end this uncertainty and this guide will help.

The AMA acknowledges the partnership, co-badging, and cooperation in the development and production of this Guide from Associations and other entities including the Royal Australian College of Physicians, the Royal Australian College of GPs, the Council of Procedural Specialists, the Medical Surgical Assistants Society of Australia, Australian Society of Plastic Surgeons, the Thoracic Society of Australia and New Zealand, General Surgeons Australia, Australian and New Zealand Society of Cardiac and Thoracic Surgeons, the Australian Doctors Federation, the National Association of Specialist Obstetricians and Gynaecologists, the National Association of Practising Psychiatrists, the Australian Society of Orthopaedic Surgeons, and the Australasian Sleep Association.

The AMA and these groups will promote and disseminate the Guide through their memberships. Other medical groups are expected to sign up to the Guide and join in its

promotion. It will be available from doctors to medical practices from the AMA website and websites of the other associations and organisations mentioned. Thank you.

So, I'd like to now call up the Minister to formally launch the guide that we're launching here today. Thank you, Minister.

[Applause]

MINISTER HUNT: Thanks very much to Dr Tony Bartone, the President of the AMA. A distinguished GP in his own right. So, a medical leader within the medical community and a medical practitioner.

I'm really thrilled also from the Coalition side to be joined by Dr David Gillespie, gastroenterologist, a practitioner, parliamentarian, chairs the Coalition Backbench Committee. Dr Katie Allen who's here, and she has been a paediatrician of national note. We have Fiona Martin, who is a clinician psychologist and to have her skills, and of course, Dr Andrew Laming and so Andrew has been an ophthalmologist and continues to practice pro bono with some of the members of the South Brisbane community who need the support.

And to have their advice, their clinical advice as well as their policy advice, informing what we do as a Government is immensely important and it's a great value, I think, for the Parliament to have these skills within it.

So today is about a very simple concept. It's about giving patients knowledge, choice and empowerment as they face important decisions in relation to their health.

The starting point is, of course, that we have a national bulk billing rate of approximately 86 per cent at the last quarter, representing the highest year-on-year quarterly figure that we've ever seen, which means the vast majority of people have no cost when they visit the doctor on the vast majority of occasions.

But of course, we have a national system which is a hybrid system. It's a mixture of public and private and that allows people to have choice – choice of specialist, choice of hospital – and it allows, I think, the Australian model to flourish which, in my view, is vastly preferable for Australia to the alternatives available in the United States or the UK at different ends of the spectrum. It means that there's better opportunity for innovation, faster treatment, when people want to seek that option.

And so, the combination of public health with the guaranteed Medicare system – I did see one comment today questioning Medicare and I have to say clearly and categorically that we reject that proposition. Clearly, categorically and absolutely. We are committed to [indistinct]. But equally, we're committed to private health insurance. Both of those elements are part of the model that we believe best serves Australians. And that means that doctors can practice and deliver their outcomes.

But the patients, there are two concerns – one is what do they ultimately have to contribute, and are they being surprised in that, and it's that surprise which is one of the greatest challenges for private health insurance.

So, we've already embarked upon one round of reforms. Those reforms have been about making sure that we reduce the cost pressures and increase awareness in relation to private health insurance in terms of what's in.

The next round of reform is what Tony is helping to [inaudible] that the AMA are taking the lead in, and that's ensuring all patient knowledge and transparency about the options that they have in choosing a doctor, choosing a specialist, choosing a pathway for their treatment and making sure that there no surprises. At the end of the day, this informed kind of financial consent is about making sure there are no surprises, and that's what really matters.

And so I want to congratulate the AMA as part of a two-step process that we're sharing, of what Tony and the AMA have done in conjunction with, so far, 10 [sic] other medical Colleges and groups including the College of GPs and the College of Physicians, but many others to come on board – is to make sure that this estimate of medical fees will be available to patients around Australia.

And what we're doing, developing the transparency website, is making sure that patients can see what the costs might be – whether they will have no gap, a known gap or a larger gap. And they can then make the choice and compare doctors.

So, in other areas of life we seek quotes in advance and we are able to compare. And it's a historical anomaly that this has not been the case in relation to our health, the most important of all of our investments – in the health of ourselves and in the health of our family.

So, Tony, I have to say you have led this in conjunction with others from the AMA, and it's a very easy to understand process of what are the fees for the specialists, what are the different costs, and what you will have as your contribution from the Government, from private health insurance if that applies, and therefore what do you have, if any, costs to outline. Very, very simple. It provides a model for what we are now working on as a consequence of the discussions, only last Friday where there was a working group on the Government's transparency website.

So those two things together will give patients more information and more choice, and what we want to do it to work to ensure there are no surprises.

But this is, above all else, for the patients and will help the patients, and I am delighted to officially launch the AMA's Informed Financial Consent Guide for Patients to help them have better information and better choices.

If you have any questions on the guide, I'll let Tony do that. And beyond that, I'll take any questions outside of that.

JOURNALIST: How does it work? A patient comes to doctor and wants to find things out – what do they do? What do they find out? It sounds like pretty scary reading actually, to work out how much things are going to cost you.

TONY BARTONE: So, it's not about being scared with reading, it's about being informed and being across the issues that make up what is the final cost of that procedure and what your out-of-pocket costs will be.

Most patients understand that they may have to contribute to that care, but they're not sure about all the various inputs along the way and how much their fund may or may not. They believe that their fund is covering direct, they go to their claim, and they find out that it's less than X. That's the surprise, that's the bill shock, you might call it. Call it whatever you want, it's about giving patients information. We've always said that if you've got the information and you make an informed decision, it is an important part of the process, of the process through having that treatment.

Our health system is very much a world leader, but it has got many, many different parts – many, many complex parts. They fit together in many different ways and unless you're requiring to use it, you don't know how it works. And that's why when you're most vulnerable, when you've got a condition, when you're worried about what it means for your health and wellbeing, it's not the time to go on to an exercise about how the whole system works.

This cuts through, it gives you knowledge, it gives you empowerment, it gives you understanding, and it helps with the entire process.

JOURNALIST: Dr Bartone, when you have a procedure, there's usually more that one doctor involved, one anaesthetist, sometimes an assistant surgeon. Does this give you the total cost of all of the doctors involved or not?

TONY BARTONE: Sure. So, clearly there are many parts to the equation, and in our other related services in the box there we'll itemise - or list the other people involved. Now, we can only potentially estimate, but clearly that's part of the equation and part of empowering the patient to find out what those costs will be before the procedure.

That's where- and visibility is knowledge, is power. You know before the time, not after the time. It's not during the journey and you suddenly get another one, and another one.

JOURNALIST: So, you won't know what the anaesthetist's gaps going to be?

MINISTER HUNT: So- do you mind if I- because [inaudible] this is a very important question.

On the guide here, you have the treating practitioner's fees, but you also have anaesthetists, assistant surgeon, pathology and imaging devices, implants. So I think they've done is a very comprehensive job in any other items. I have to put my patient hat on for a moment, I better confess, Friday I was a patient; I had a tooth out – lower jaw, right hand side, second molar from the end, I'll miss it.

And they went through with me just as an ordinary patient the- as what I could see was the normal practice for the oral surgeon: surgeons' costs, the hospital costs, and the anaesthetist's costs. And I was just watching it obviously with both hats, and that was very impressive. That was the particular procedure for that practice, and I think they got it absolutely right.

And that's the procedure which has been modelled here. So the very things you ask about are the very things that Tony and the AMA have deliberately added to make it a comprehensive assessment which is why I think it's so good.

JOURNALIST: Can you explain – is this just for private health insurance? How does it affect people in the public system? What happens?

TONY BARTONE: Well, clearly in a public hospital, there is that- part of being in the public service is that there is no out-of-pocket costs. Now, there might be- there might be a cost for an outpatient prescription for a medication, or there might be another incidental cost along the way for another service or another ancillary service provided outside the confines of that public hospital treatment in patient stay.

But largely, public hospital care is essentially that, through to the patient. This is for episodes of private care in the private system between a patient and a physician or a specialist of their choice, and helps with that process.

JOURNALIST: Minister, this is only half the equation if you're a patient, because you might know what a doctor charges but you don't know whether they're providing the best service. We keep being told that some of the highest charging doctors are not necessarily providing the most quality service. Will you look at introducing a system that will give patients some insight into the quality of the medical practitioners that they might want to see; who's got the best outcomes and the worst outcomes?

MINISTER HUNT: So, what we'll be doing is we will be publishing the transparency website in terms of fees, and that's the next stage. And then beyond that, we'll consider other options.

But at the moment, what we're seeing is that already the private sector is moving into providing comparisons. So, I think that that is increasingly being filled and dealt with as it should. I'm a little bit cautious about the Government mandating comparisons of operations which are not necessarily like for like.

And the one thing we have to be careful is not to provide a perverse disincentive where sometimes, of course, some of the more capable surgeons in a particular field will take on the harder cases with a lower likelihood of success, and I don't want to set up a situation where we are preventing or providing a disincentive to people dealing with the more challenging cases. IVF is a classic example of that. Now we're working towards a system with IVF where there's an appropriate condition of like for like.

So, two big steps here; one is the setting out through informed financial consent of the costs for a particular procedure, second, our job is to provide the transparency so as patients can compare the costs. And then in terms of the quality and the outcomes, we're letting sector develop those models in conjunction with some of the private providers.

JOURNALIST: Minister, with the fee transparency website; if doctors are reluctant to participate, will you consider legislating to make it mandatory?

MINISTER HUNT: Well, first step is we've always said that we intended to be consent and participation. But those that don't will have a very clear light shone upon them, and they will have to explain why they don't want to participate, and we had a very constructive meeting led by the Chief Medical Officer last Friday.

So, I do expect doctors to participate. And overwhelmingly, we've had a very positive response. There were a couple of people last week – I know in the articles that you had – who provided comments. But the medical organisations have actually been the leaders in this because they want to make sure that anybody who has egregious practices is exposed. And I thank them for that.

JOURNALIST: One of the reasons that medical gaps are increasing is that Medicare rebates have been frozen for more than five years; that's finally come off. But that's one of the reasons gaps have grown.

The Labor Party took a program to the election that would have seen Medicare rebates for cancer care increased. The former adviser to Prime Minister John Howard, Senator Arthur Sinodinos, has said the Coalition would be wise to adopt that policy. Would you consider adopting that policy?

MINISTER HUNT: Certainly, I don't think that's a correct representation of what Arthur said, respectfully.

In terms of the Labor policy, they actually took a policy for one rebate. And we know that there are over 420 items that are cancer items. So, in the end, it was an utterly hopelessly thought-through failed program. They couldn't explain it, they couldn't defend it. It was an embarrassment.

Normally, I'm fairly minded on these things, but this was one of the most ill-thought-through, ill-considered, and I have to say, dishonest proposals that I have seen put to an election; and they are exposed, they didn't know cost, they didn't know how it would work, they didn't know how it would apply. And so we're heading down this path.

JOURNALIST: Tony Bartone, you supported that campaign, that program during the election. Do you agree with the Minister?

TONY BARTONE: So what I said clearly during that campaign was that we welcome the investment in health of that magnitude because it is a very significant amount of money. There's a very significant concern for a majority for a significant majority of the population.

But I did also make the point that the health system is more than just cancer. It is about the holistic treatment of all patient conditions. And we couldn't have selective Medicare rewarding of certain conditions. We needed to look at the patient in its totality, and that the funding of the patient journey needed to consider that.

JOURNALIST: Minister, how are you going to make private health insurance more affordable? We heard it was in a death spiral- the Grattan Institute also said that it was riddled with inconsistencies and perverse incentives. It's a tough gig you've got, how are you going to make it more affordable, how are you going to get people involved?

MINISTER HUNT: So, we've just done the largest reforms in a decade, which produced the lowest price changes in 18 years, and so that's a very important thing.

And we've done that as part of a simplification that many people have said would be impossible. And yet, if you look at the simplification – which of course, landed during the course of an election campaign – it was remarkably well received. And if ever it was going to be elevated if there were issues, it would have been during that time. There was a heightened appetite for any issues in terms of controversy, and yet it- you know, that's what an election campaign does, and I understand that. And so, that was a very interesting test. And the fact that it has been as well received was very important.

Most importantly, the discounts for young people, the improved access for people in rural and regional Australia, and the improved mental health access are very important steps, but that's not the end of the work. I've already been meeting with private hospitals, with the private health insurers, and with Tony and other medical leaders in the country on the next stage in terms of private health insurance reforms to put further down the pressure on those costs.

But you can only do it by actually taking it out; cost drivers. And that's the important thing, we've got to work on those cost drivers. So, we dealt with prostheses last time, they'll be coming back to me shortly, those three groups with their suggestions and their proposals.

But my goal is to continue to reduce the pressure on private health insurance cost, but also to increase the value proposition, so as people understand. I know that the author in particular of that report has long had a disagreement with the Australian model – doesn't support the notion of a public and private system; I do.

JOURNALIST: Do you agree there's a problem there though? Do you agree that there's a problem [inaudible]?

MINISTER HUNT: Well, if the answer is the British model or the American model, I don't agree with that and we won't be doing that on our watch. We were asked: do we have a clear view – clearly, categorically, and absolutely. But if others want to abolish private health insurance, they should be upfront and honest about that. My clear judgement is that that would be catastrophic for the Australian system. The vast majority of private hospitals would face an existential crisis. The practice which brings some of the best doctors from around the world would no longer be viable. And the public hospitals would be under massive pressure.

So, for the Australian system, which has all the challenges of being able to successfully treat more and more people, and therefore people live longer, and therefore you have more chronic conditions; there will always be pressures, but of all of the countries in the world, I think, that we have a system which is as good as any, and it's ranked number two in the world by the Commonwealth Fund, and our goal is to make that the number one system.

JOURNALIST: Can I just ask you finally about the price system and the price scale; how will it go up over time? With the guide which you're going to be giving patients, how will it be going up over time as we start to see things become more expensive?

MINISTER HUNT: Well, what we have is two things; we have the Medicare rebate, and that's exactly as Sue was saying.

We've ended the freeze that Labor introduced, and in particular – so that continues to be indexed, and we saw 187 items indexed for the first time in a long while on 1 July, as well as everything else.

Secondly, we also- if we can have more people in private health insurance, that affects the risk pool which affects the cost of private health insurance, and that's why we're working to bring younger people in. So we looked at coverage from both sides and the-

JOURNALIST: [Inaudible] But - the guide which someone's going to look at to see how much their out of pocket costs are going to be; how will that be updated as prices change?

TONY BARTONE: Clearly, this is a- the guide is a framework in which you put in the input costs of the X and the Y and the Z; the cost of the MBS rebate, the fund rebate, and the result of the out-of-pocket [inaudible]. So, as things move, as things change, so do the inputs change. So, it's a flexible, floating system that works with the patient in its journey, any time, now, tomorrow, into the future.

MINISTER HUNT: And this is something that the doctor fills in with the individual patient. So, let's say Katie goes to get her shoulder done – just as a hypothetical.

KATIE ALLEN: [Inaudible] Really? I didn't get my shoulder done.

MINISTER HUNT: Yes, yes. And she and the doctor will fill it in, so each individual patient will have not just a generic guide, but a specific quote for them. So, it's like somebody quoting on your house. Here, for the first time, we will have individuals knowing what their cost would be. And then, the government will be able to compare it.

[Unrelated questions]

JOURNALIST: Just one more question on private health, you mentioned looking at the other costs, which insurers pointed out that hospital costs are the biggest proportion of their costs. What are you going to be looking at to bring those costs down?

MINISTER HUNT: Yeah, so I'll respectfully wait until the three arms of the system come to us with their individual and their collective views, so the private health insurers, the private hospitals, and the medical community. We've asked all of them to come individually, but ideally to work together to identify any drivers that might have common ground.

So, it's a legitimate question, but I've set the task and will wait for those that are living it to come back with their ideas. We're simultaneously working on those dramas.

JOURNALIST: Will you be attending the suicide prevention conference, and also what are you hoping to learn from that?

MINISTER HUNT: So, we're up here this week. I do want to explain – I'm very glad you asked that – acknowledge Julia Gillard's comments today. She has completely taken this to the highest levels of unified national concern. And we had a wonderful leader in Jeff Kennett; Julia Gillard is showing great national leadership.

And so, we've just appointed Christine Morgan to head this, and Christine's representing the government because we have parliament at the moment. But we may have more to say on that in the very- today, in fact.

Thank you.

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