

**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/>



**Transcript:** AMA President Dr Tony Bartone, *Mornings with Mark Levy*, 2GB, Monday 30 December 2019

**Subject:** Private health insurance

**MARK LEVY:** Now, more than 2.2 million Australians have dropped private health insurance in the past five years. That's according to a survey of more than 1000 adults commissioned by the Medical Technology Association of Australia. The poll found a quarter of people who previously had private health cover no longer do, and nearly half of them made the decision in the past five years. Health Minister Greg Hunt says he's consulting the medical industry on how to keep a lid on premiums, despite announcing an average 2.92 per cent rise from April next year. It just seems private health insurance is becoming more and more unaffordable.

President of the Australian Medical Association, Dr Tony Bartone, joins me on the line right now. Doctor, good morning.

**TONY BARTONE:** Good morning, Mark.

**MARK LEVY:** Now, do you put that down to it just becoming unaffordable? Is that the reason why people are ditching private health insurance?

**TONY BARTONE:** We know that that's a significant factor for many Australians when they do make a decision whether to continue or not with their private health insurance, and affordability of premiums when they're rising faster than the average wage increases each year is a significant factor.

But there are other factors that go into that mix, and transparency - lack of value, lack of what the fund gives back to you when you do make a claim - was another significant factor. So, it's complex situation, but clearly a very significant factor when Australians make that decision to keep their private health insurance.

**MARK LEVY:** That's interesting. You talk about value, and I'll tell a personal story here. When I took up my private health insurance, I had colonoscopies and gastroscopies covered because, in my family, Dr Bartone, we've got a history of bowel cancer and pancreatic cancer and all that sort of thing.

I was booked in to have one done earlier this year, and the private health insurance company called me and said, well, sorry, we're not covering you for this, this, this, and this, because it didn't fall under the general operational procedure that was detailed in my private health insurance policy. So, as you can appreciate, Doctor, I was sort of sitting there going, well hang on, I'm paying my private health insurance each month, so why aren't they covering me for this specific procedure?

**TONY BARTONE:** And that's exactly right. That lack of transparency, of knowing exactly what you were covered for, and making the claim hoping that you were going to be covered, and then finding out you weren't, was of course part of the bewilderment and the

disappointment and the anger that led to hundreds of thousands of Australians to make that decision to opt out, and that clearly was part of the problem.

So we've tried to work with the Government to try to simplify the classifications, and simplify the understanding that goes behind knowing what you're covered for, and being really wise before the fact so to speak, and knowing exactly what you will be covered for a certain procedure, when and if you need it. It's not having that surprise, that shock of knowing that you've been paying premiums for years and then, low and behold, you're not covered.

**MARK LEVY:** Yeah, and 2.2 million Australians, that is a hell of a lot of people and that's 2.2 million Australians who are now going to fall back on to the public health system, which at the moment is already under enormous pressure.

**TONY BARTONE:** That's exactly right. We've got enormous waiting lists, record numbers of Australians waiting for elective surgery in public hospitals, record waiting times, and you've got the situation where, as you've correctly identified, 2.2 million Australians have jumped out of private health, back on to the system.

If that trend continues, more and more Australians will depend on the public system, which is not coping as we speak, and that's only going to spell longer wait times for elective surgery, making that equity and access, especially for Australians who can't afford private health insurance because of their circumstances, making their situation even more diabolical, meaning they have to wait even longer for surgery and they're in pain and discomfort and loss of function.

**MARK LEVY:** What more could the Health Minister be doing in relation to this, Doctor? I mean, is there a way in which that he could force these private health insurers to cut some of their premiums and reduce their costs? Because, when you read the story, some of these private health insurance companies are making huge amounts of money every year?

**TONY BARTONE:** So, clearly everyone has to sit down at the table and work out how to bring back value and bring back affordability to the system. It's not so much just making the premiums smaller, it's making sure what when you do make a claim, you've got that surety that you are covered, and also that you're getting back value for your hard-earned premiums. So more of your premiums need to come back in the form of rebates when you do make a claim or necessity.

But we need to remember that as a society, we're getting older. We're growing in population size, but we're also having more complex and chronic disease. So, the cost of medical treatment and the cost per Australian is going to increase. That's an unavoidable fact in the whole situation, that we are going to face higher and higher costs when we do, as a population, make that call on our system, so we've got to have efficiency and we've got to have affordability brought back in to that, otherwise the system will collapse.

**MARK LEVY:** Alright. Well, we'll wait and see what happens in the new year with this sort of thing, but let's hope that the Federal Health Minister Greg Hunt makes this a priority, because we want people getting the best care, and we've got some of the best doctors in the world. And I'm not suggesting the public health system doesn't provide that, but if you're paying for private health insurance, you should be getting covered and you shouldn't be out of pocket the amounts of money that are being spoken about today. Thanks so much for your time, Dr Bartone, we'll talk to you soon.

**TONY BARTONE:** My pleasure, have a good day. Thank you.

**MARK LEVY:** You too. That's Dr Tony Bartone, the President of the Australian Medical Association.

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

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