AMA

AMA POSITION STATEMENT

Private Health Insurance and Primary Care Services - 2014

March 2014

The AMA believes that any move to expand the role of private health insurers (PHIs) should be carefully planned and negotiated with the profession to ensure that the outcome is in the best interest of patients and does not compromise the clinical independence of the profession or interfere with the doctor/patient relationship.

The AMA would not support any move to completely deregulate the funding of GP services by PHIs, or any changes that would undermine the principle of universal access to health care.

Areas that could be explored include wellness programs, maintenance of electronic health care records, hospital in the home, palliative care, minor procedures, and GP directed hospital avoidance programs.

Any model implemented would need to:

- recognise and support the usual GP as the central coordinator of patient care;
- adopt a collaborative approach to care, with the usual GP retaining overall responsibility for the care of the patient;
- provide patients with appropriate access to care based on their clinical needs;
- preserve patient choice;
- protect clinical autonomy; and
- recognise the rights of medical practitioners to set their own fees.

Background

Under the *Private Health Insurance Act 2007*, PHIs are prevented from providing a benefit for out of hospital services where there is a Medicare benefit payable, unless the Private Health Insurance (Health Insurance Business) Rules provide otherwise. This limits the extent to which PHIs can fund GP services for their members.

In 2007 the Government made limited legislative reforms to private health insurance arrangements that introduced the concept of Broader Health Cover (BHC), which enabled health insurers to offer benefits to members for programs that either prevent or substitute for hospitalisation, or that help patients with a chronic disease better manage and reduce the effect of the disease.[1]

Key concerns

Key concerns about any expanded role for PHIs in primary care include equity of access, the maintenance of the relationship with the usual doctor, the independence of the doctor/patient

[1] Biggs, A. (2013) Chronic disease management: the role of PHI, Dept of Parliamentary Services Research Paper, 2013-14

relationship, the potential rationing of care and the risk that PHIs might focus on cost reduction as opposed to the quality and continuity of care.

Existing programs

As a result of the 2007 BHC reforms, PHIs have introduced a number of programs that provide their members with access to services such as exercise physiologists, dieticians, and physiotherapists to better manage their chronic conditions. While these programs can potentially be of benefit to patients, they generally work in isolation of the usual GP who is best placed to understand the patient's care needs. Rather than work in parallel or in competition with the usual GP these programs should only be offered with the full knowledge and support of the usual GP.

AMA Recommendation

GPs provide holistic and well-coordinated care for patients, including preventive health. By supporting a greater role for GPs in PHI arrangements, the coordination of patient care could be improved, care could be provided in the most appropriate clinical settings, and unnecessary hospital admissions can be avoided.

The AMA is supportive of targeted reforms that would better support GPs to effectively utilise PHI funded wellness/support programs in caring for patients and also allow PHIs to fund a broader range of GP services for privately insured patients.