

Health insurance report provides fresh hope for consumers

A Senate committee's proposals to expose health insurance costs and medical fees to greater scrutiny would represent a great step forward to a more consumer-friendly system, the Consumers Health Forum says.

"We strongly support many of the committee's 19 recommendations in this ground-breaking report which recognises that the system must meet the needs of the consumer – those who pay for health insurance policies - and not vice versa," the CEO of the Consumers Health Forum, Leanne Wells, said.

"CHF has argued long and hard for much greater transparency in health insurance and medical fees and this report recommends a battery of changes including a government database of individual medical practitioners' fees for consumers to consult.

"The Senate Community Affairs Committee report into the value and affordability of private health insurance and out of pocket costs responds to the many issues that have concerned and disadvantaged health fund members."

"Its recommendations also include:

- That the Commonwealth and state governments ensure that public hospitals provide equality of access to public and private patients based only on clinical need and not on insurance status.
- That the Minister for Health require health funds to publish all rebates by policy and item number.
- That legislation requires health funds to provide adequate written notice of changes to policies and eligibility to allow consumers to consider alternative polices, especially where changes may be detrimental to members.

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- That the Private Health Insurance Ombudsman advise in 2019 on additional measures that could make health insurance easier to understand in addition to the significant reforms that are to be introduced in the coming years.
- That the Australian Competition and Consumer Commission and the Private Health Insurance Ombudsman develop a new code of conduct for engagement between health funds and healthcare providers.
- That the Government assess the value provided by 'basic' policies as a fourth product option to the Gold/Silver/Bronze categories to determine whether consumers are best served by a three-tier or four-tier system.
- That the Private Health Insurance Ombudsman is granted additional funding to enable to promote widely its upgraded website and comparison service to consumers.
- That the Government requires intermediaries to disclose any commissions received from health funds.

"The report also recommends that the Government consider extending private cover in some circumstances for services outside hospital.

"We think that while there may be sound reasons for moving in that direction particularly if this is a way to deliver better value to consumers from their policies, we agree with the committee that such changes should only be made on the proviso that services would not undermine the universality of Medicare by creating a two-tiered primary health care system, do not inflate costs and are provided on a comprehensive basis.

"CHF congratulates the committee in providing clear and sensible recommendations for improving what has been a troubled area for consumers.

"CHF looks forward to an early Government response to the Committee's recommendations and to working with existing arrangements announced by Minister Hunt in October to examine out-of-pocket costs and low value care as part of his ongoing private health insurance reform agenda," Ms Wells said.

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