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New agreement brings fairness back to public hospitals

The new National Health Reform Agreement has the potential to end the practice of public hospitals “harvesting” privately insured patients for their insurance benefits and ensure Australians who need care get it based on clinical need, not the ability to pay, says Australian Private Hospitals Association (APHA) CEO Michael Roff.

The Agreement, signed by all States and Territories today, includes a commitment to remove any financial benefit accruing to public hospitals for treating private patients. This means there will be no incentive for public hospitals to actively pursue privately insured Australians as they currently do.

Mr Roff said the Agreement was significant and the Health Minister, Greg Hunt should be congratulated for getting it across the line.

“Mr Hunt has worked collaboratively with State and Territory colleagues as well as stakeholders to achieve this Agreement. It will have a genuine impact on how Australians can access care, including making the public system more available to those who need it.

“APHA has been advocating for this change for a long time. We know the practice has driven up premiums and disadvantages public patients who are pushed further down public hospital waiting lists. It undermines the principle of Medicare – that treatment in a public hospital should be on the basis of clinical need, not ability to pay.

“It’s not right that almost 14 percent of public hospital beds are tied up with private patients when waiting lists continue to grow, and it’s not right that public patients wait twice as long to get into a public hospital compared to insured patients. Hopefully, those days are over.

“Our hope is that patients in public hospital Emergency Departments are no longer coerced or harassed into handing over their private health insurance details when they are vulnerable and in need of urgent treatment. It should also reduce costs for public hospitals who will no longer need to employ so called ‘private patient liaison officers’ to undertake this coercion.

“This agreement should mean improved access to care for those Australians who can’t afford private health insurance and can only access the public hospital system, because privately insured people will not be pushed ahead of them in elective surgery queues as is currently the case,” he said.

“Public hospitals must now concentrate on what people expect them to do, treat public patients. This has never been more important to ensure that public patients are not left languishing on waiting lists that have grown even longer due to the surgery restrictions imposed during the COVID-19 pandemic.

“We will be closely monitoring the situation following the implementation of the new agreement after 1 July to ensure that public hospitals are not offering preferential access to insured patients,” Mr Roff said.

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Australian
Private Hospitals
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The Australian Private Hospitals Association (APHA) is the peak industry body representing the private hospital and day surgery sector. The private hospital sector treats 4.5 million patients a year, including treatment of a third of chemotherapy, 60 percent of all surgery, 74 percent of all elective musculoskeletal surgery and 80 percent of rehabilitation.