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Elective surgery backlog ‘serious’

A significant number of patients are waiting for elective surgery, 18 months after the first COVID-19 enforced shut down of procedures. It will be some time before the backlog can be addressed, says Australian Private Hospitals Association CEO Michael Roff.

“We estimated there were 340,000 episodes of care “missing” from private hospitals in 2020. Taking into account the six months to the end of June, we now estimate that figure has fallen to 290,000, but it will still take a considerable amount of time to work through these cases.

“This is a serious situation for those affected patients and the healthcare system. These are surgeries and other treatments that have been deferred but they will need to be done at some stage and include procedures like total knee and hip replacements or cataract surgery that impact a patient’s ability to move around or to see,” he said.

The latest data released today by the Australian Prudential Regulation Authority (APRA) shows there were 978,797 episodes of care in private hospitals during the three months to the end of June. This is more than the previous quarter but will still not make up the gaps in health care need created by the various lockdowns around the country.

The data also shows a 0.1 percentage point increase in private health insurance membership in the quarter, and year-on-year data shows an increase with an additional 245,189 people with hospital cover compared with 30 June 2020. It is encouraging that more people will have access to private hospitals so we can address the surgery backlog when the COVID situation settles.

The APRA data shows funds held over by private health insurers to fund elective surgery that could not take place during the pandemic – deferred claims liability – stands at \$1.4 billion. Private health insurers have not made good on their promise to return these funds to members – only \$400 million has been handed back in this quarter.

“This inaction on the part of insurers needs to be addressed. The Australian Competition and Consumer Commission has suggested* these ‘deferred claims’ which have not been used to address the elective surgery backlog should be taken into consideration when the Health Minister considers premium increases.

“The APRA report indicates health insurers doubled their profit to \$1.5 billion in the 12 months to the end of June. Therefore, the Minister should look very closely at any insurer trying to increase their premiums while still holding onto large amounts of their member’s money in the form of deferred claims,” Mr Roff said.

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*ACCC report to the Australian Senate July 2019-June2020
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