



APHA Vital Signs

A WEEKLY ROUND-UP OF NEWS VITAL TO THE PRIVATE HOSPITAL INDUSTRY

28 March 2010

APHA Meets with Minister for Health and Ageing

Late on Friday afternoon, APHA President Chris Rex and APHA CEO Michael Roff met with the Minister for Health and Ageing in Melbourne. More details of this meeting will be sent to members early next week.

Health Debate – Private Hospitals get a mention

On Tuesday 23 March, Prime Minister Kevin Rudd and Leader of the Opposition Tony Abbott debated health reform at the National Press Club in Canberra. Opinions varied as to who “won” the debate. However, the important role of the private hospital sector was mentioned. In particular, the Prime Minister said : “The best system is one which has a mix of the private and public and system and that includes private responsibility in certain parts of the system”. The debate may be viewed on-line at:

<http://www.abc.net.au/news/video/2010/03/23/2853660.htm>

APHA Member Forums Update

APHA will be visiting Victoria and Western Australia next week for the last of the APHA member forums. Forums run in South Australia, Queensland and New South Wales have been well attended and members have been overwhelmingly positive about the forthcoming campaign, **Valuing Private Hospitals**.

APHA Financial Sustainability Taskforce meets with the Private Health Insurance Branch

Last week the APHA Financial Sustainability Taskforce met with the head of the Private Health Insurance Branch from the Department of Health and Ageing. At the meeting the taskforce raised a number of areas of concern to the branch, and these included

- The lack of data on exclusionary health insurance products and the long-term damage these policies are causing the industry
- Consumer awareness and mis-selling of exclusionary policies
- The downgrading of members insurance cover and backdoor price increases
- Private health insurance premium rises
- The recent Health Technology Assessment Review
- Future changes to the prostheses list

Our concerns were well received by the branch and the secretariat will be following up on a number of areas where progress can be made on these issues.

Lifetime Health Cover – First Round of Removal of Premium Loading

The *Private Health Insurance Act 2007* (PHI Act) commenced on 1 April 2007. The Act included a new provision, in section 34-10, requiring health insurers to cease increasing premiums due to Lifetime Health Cover loadings after ten years' continuous hospital cover. This means that from 1 July 2010, some members will no longer need to pay LHC loadings on their hospital cover. From an implementation perspective, members who pay 12 months in advance may need to have had their premiums adjusted to reflect the lifting of their loading after July 2009.

A number of insurers are already reviewing their systems to ensure that they will be compliant with the requirements under the new LHC 10 year provision and enable them to identify members who will have loadings removed. There may be some circumstances when it will be more complex to establish when a member has paid a LHC loading for 10 years, for example when a member has transferred between insurers a number of times and/or utilised different types of *permitted days without hospital cover*. To facilitate compliance, it may be useful for insurers to communicate with members paying LHC loadings who have joined within the last ten years, inviting them to update their records.

NSW Health – implementation of new regulation and Ministerial Advisory Council on Private Health

As previously advised to NSW members, the Act and Regulation for private health facilities in NSW came into force on 1 March 2010. Existing licensed facilities have until 1 September to make transition to the new regime. Download the Regulation at:

[http://www.legislation.nsw.gov.au/viewtop/inforce/subordleg+64+2010+cd+0+N/?autoquery=\(Content%3D\(\(%22private%20hospitals%22\)\)\)%20AND%20\(\(Type%3D%22act%22%20AND%20Repealed%3D%22N%22\)%20OR%20\(\(Type%3D%22subordleg%22%20AND%20Repealed%3D%22N%22\)\)&dq=Document%20Types%3D%22Acts,%20Regs%22,%20Exact%20Phrase%3D%22private%20hospitals%22,%20Search%20In%3D%22Text%22&fullquery=\(\(%22private%20hospitals%22\)\)\)](http://www.legislation.nsw.gov.au/viewtop/inforce/subordleg+64+2010+cd+0+N/?autoquery=(Content%3D((%22private%20hospitals%22)))%20AND%20((Type%3D%22act%22%20AND%20Repealed%3D%22N%22)%20OR%20((Type%3D%22subordleg%22%20AND%20Repealed%3D%22N%22))&dq=Document%20Types%3D%22Acts,%20Regs%22,%20Exact%20Phrase%3D%22private%20hospitals%22,%20Search%20In%3D%22Text%22&fullquery=((%22private%20hospitals%22))))

APHA has also recently met with NSW Health about the new regime. One of the things provided for in the new legislation is a Ministerial Advisory Council on private health. There have been previous attempts to form such a body that have met with mixed success. NSW has advised that there will be a meeting in April of providers to discuss this further. APHA believes that this potentially provides an opportunity for private hospitals to have a voice in NSW. We will be attending the April meeting, and will provide any further information as it comes to hand.

June edition of *Private Hospital* magazine – Call for submissions

The June edition of *Private Hospital* magazine will be themed around Safety and Quality in Private Hospitals. Showcase the great work in your hospital by submitting an article to the magazine. The deadline for submissions is **Monday 12 April 2010**. *Private Hospital* magazine has a wide readership and is an excellent way to promote the vital work performed by your staff every day at your hospital. For more information or to make a submission, email Lisa Ramshaw on lisa.ramshaw@apha.org.au.

Electronic Private Patient Hospital Claim Form (ePPHC)

A reminder to hospitals that The Department of Health and Ageing wishes to advise they will no longer be supporting the electronic Private Patient Hospital Claim Form (ePPHC) application, as of 1 July 2010.

Future changes to the file structure of the HCP and PHDB data collections will not be supported by the ePPHC, therefore when the file structure changes any submissions created using the ePPHC will be invalid.

Any private hospital still using this software should contact their software supplier for advice regarding other software applications that provide the same or similar functionality.

Health Technology Assessment Review

The Department of Health and Ageing recently released the 'Health Technology Assessment Review'. The purpose of this review is to identify options for improving process efficiency and reducing regulatory burden within the HTA process, whilst also

ensuring that patients have timely and affordable access to medical services and devices that are demonstrated to be safe, deliver improved health outcomes and value for money. The government has been supportive of the reviews' outcomes. It has begun work on implementing 13 of the 16 recommendations and the three remaining long-term recommendations are under consideration. One of review's recommendations was to abolish the prostheses gap payment that private patients sometimes have to pay. APHA will be looking into the detail of the review to see how it will impact on Private Hospitals. A full copy of the report can be found here:

<http://www.health.gov.au/internet/main/publishing.nsf/Content/hta-review-report>