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Private patients treated in public hospitals is lose-lose

The public hospital system's continued rorting of private health insurance forces privately insured patients to pay higher premiums and those without insurance to sit on waiting lists for longer, a lose-lose for the health system, says Australian Private Hospitals Association (APHA) CEO Mr Michael Roff.

"Evidence continues to build that patients are suffering while hospital accountants count the cash, ignoring the foundations Medicare was built on: access to health care based on clinical need, regardless of the ability to pay.

"In May an Australian Institute of Health and Welfare report showed the impact public hospitals' coercing patients to use their private health benefits in the public system was having on waiting times.

"Those who were insured jumped the queue, receiving treatment twice as quickly as public patients. The median wait for a privately insured person was 20 days. Those without the ability to pay waited 42 days.

"And this wasn't just for non-life threatening surgery, but also for heart procedures. It is a significant issue for the health system.

"Each year, for the five years to 2015-16, privately insured patients treated in public hospitals have increased by an average of 10.5 percent," Mr Roff said.

A consultation paper released by the Department of Health invites comment on five options to address the issue.

"It will take more than one of these to stop the runaway growth of private in public. Rather a combination of measures will be needed to ensure public hospitals cannot continue to game the system to the detriment of public patients. We would also like to see patient rights protected when they use their private health insurance," he said.

Independent Hospital Pricing Authority data included in the Department's paper shows the extent to which some states have been targeting vulnerable people presenting for emergency admission.

"The existing rules fail to protect consumers in a number of ways and these could easily be changed. There should be sanctions if hospitals continually pester patients after they initially refuse election, if they don't tell them about potential costs or don't let them know they could be transferred to a private hospital," he said.

The incentive for the Federal Government is obvious – private health insurers will save \$1.5 billion in benefits that public hospitals currently claim, he said.

"Cut that access and premiums will reduce by six percent. That is a win for public and private health care consumers and the health system," Mr Roff said.

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Discussion paper on private patients in public hospitals: <http://www.apha.org.au/wp-content/uploads/2017/09/Private-Patients-in-Public-Hospitals-August-2017.pdf>

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