



22 September 2017

Public Consultation on *Options to reduce pressure on private health insurance premiums by addressing the growth of private patients in public hospitals*
Australian Government Department of Health

Email to: phiconsultation@health.gov.au

Dear Sir/Madam

Options to reduce pressure on private health insurance premiums by addressing the growth of private patients in public hospitals

Thank you for granting an extension of time for the Australian Nursing and Midwifery Federation (ANMF) to provide feedback to the public consultation on *Options to reduce pressure on private health insurance premiums by addressing the growth of private patients in public hospitals*.

The ANMF is the largest professional and industrial organisation in Australia for the nursing and midwifery professions, with a membership of over 259,000 nurses, midwives and assistants in nursing. The core business of the ANMF is the professional and industrial representation of our members and the professions of nursing and midwifery.

With Branches in each State and Territory of Australia, our members are employed in a wide range of activities at tertiary and primary health care levels, in urban, rural and remote locations, and in both the public and private health and aged care sectors. Given the size of our membership, and the fact that nurses and midwives form the largest single component of the health workforce, the ANMF has a genuine concern for all matters relating to access to health care for all people in Australia, which obviously includes the mechanisms by which that health care is funded.

The following assertions made in ANMF position statements^{1,2} are pertinent to any conversation on private health insurance:

- Access to health care is a fundamental right for every Australian, not a privilege
- Access to health care should be available to all residents of Australia at the time of need, regardless of capacity to pay

¹ Australian Nursing and Midwifery Federation. Position statement: *Medicare*. Available at: <http://anmf.org.au/pages/anmf-policies>

² Australian Nursing and Midwifery Federation. Position statement: *Public and private health services*. Available at: <http://anmf.org.au/pages/anmf-policies>

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ANMF Journals

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- Individuals requiring health care have a right to choose how and where that health care is provided
- The private health sector has a legitimate and important role as an alternate choice for the provision of health care, however, its expansion must not be at the expense of publicly provided services available to all.

With the foregoing in mind, the ANMF expresses deep concern about the evidence in the consultation paper of the rise in use of public health care facilities by people with private health insurance cover. This concern deepens when we consider the AIHW statistics cited, which clearly show preferential treatment for these patients over public patients on elective surgery waiting lists for similar surgical specialty procedures.

The ANMF acknowledges there are cases where a private patient may need to have a surgical procedure undertaken in a public facility due to visiting right limitations of where their surgeon can operate; or, in the case of rural patients, a lack of access to a private facility. However, this argument does not surely apply to all of the 872,000 private patients who spent time in public facilities in 2015-16 (pg 3 of Consultation paper) 'using their private health insurance to fund all or part of their admission'.

The ANMF does not support any of the options for reform as outlined in the Consultation paper. We find none of these options satisfactory nor do any of them address the fundamental issue of ensuring access to health care for all people in Australia.

The essential question to be asked is "Why do people take out private health insurance and then use a public hospital for elective treatments?" Apart from the obvious rural access issues, the ANMF perceives the answer is primarily because successive Government policy on health insurance and Medicare has enacted legislation which forces people to obtain private insurance, according to their level of income. That is, the driving mechanism is not based on choice of product, but rather on a policy lever. Rubbing salt into the wound of being forced to take on private health insurance is the fact that in Australia this insurance is only 'part-insurance'. While insurance providers continue to sell insurance that covers only part of a person's health service costs, is it any wonder that many privately insured people then choose to opt for using the public system, when they can be faced with an unacceptable gap of out of pocket costs, for service provision.

A long held position of the ANMF is that the perverse incentive (and rebate) for people to take out private health insurance, should be removed. Instead, we maintain that the public monies currently expended on providing rebates to people to take out private health cover, should more correctly be spent on ensuring a health system which provides access and equity to health care for all people in Australia – the public health system.

Further, the ANMF contends that by the Government removing itself from the equation, the ever increasing rise in private health insurance premiums is then not a matter for them to solve. The issue will squarely rest with the private health insurance industry to ensure that the product they are selling (private health insurance is just that – a product for sale), represents good value for money.

The choice is then for the individual - there will always be people who will elect to take out private health insurance because they can afford to do so and those who do not as the cost of the product is prohibitive.

Again, thank you for the opportunity to participate in discussion critical to the fair and equitable access to health care by all people in Australia.

Should you require further information on this matter, please contact Julianne Bryce, Senior Federal Professional Officer, ANMF Federal Office, Melbourne on 03 96028500 or julianne@anmf.org.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lee Thomas', written in a cursive style.

Lee Thomas
Federal Secretary