

To whom it May concern,

I am a Specialist Anaesthetist practicing in Victoria. It is time to seriously re-look at the current system that exists in regards to out of pocket expenses that forces doctors to accept lower payments and patients to have much higher out of pocket expenses.

It is well accepted that both Medicare and the Health Fund rebates have failed to keep up with the rising cost of health care (or even inflation!) and have progressively fallen well below the fees recommended by the Australian Medical Association and the Australian Society of Anaesthetists which are based on the rises in practice costs and medical indemnity insurance. The need for "The Gap" and the existence of out of pocket fees charged has arisen as result of this but where the true tragedy is occurring is in the existence of "No GAP" health funds that are heavily penalising patients when a doctor has an out of pocket charge.

To illustrate this, where an anaesthetist such as myself decides to charge for example \$50 more than the set fee the health fund rebates, the out of pocket expenses to the patient are DRAMATICALLY different depending on which fund the patient is with. With the "Known Gap" funds such as Medibank Private, Australian Unity and most funds that are part of the Health Services Alliance the patient will only be out of pocket \$50. However had the patient been unfortunate enough to be insured with BUPA/HBA/NIB/HBF etc which operate on a "No Gap" Policy, these health funds will now lower their rebate to the MBS fee as a result of the doctor charging a gap thus leaving the patient hundreds of dollars out of pocket. Despite the doctor only receiving a very small additional payment above the normal rebate, the patient is now angry as they assume the several hundred dollars they are now paying out of pocket is due to the doctor's greed. Only once it is explained to them do they realise the real reasons for this.

This is an incredibly unfair system. Patients pay very similar premiums monthly across the different funds yet they are virtually always unaware that because they are with a 'No Gap' fund they will have out of pocket fees orders of magnitude higher than with the 'Known Gap' funds. These funds proclaim that they supposedly pay the doctors a little more to compensate but the reality is that the pitiful extra amount does not negate the large out of pocket expenses the patients will pay if their doctor decides to charge a gap (and many would).

To make matters worse most patients are unaware of this arrangement and the health funds certainly don't make it clear in any of their publications. I have anaesthetised tens of thousands of patients over many years and to this day, to my amazement, not a single patient has ever been aware of the implications of the "No Gap" policy of their health fund. In fact, I would imagine that most patients would be incredibly angry to discover that a health fund they have been paying large premiums to for many years would penalise them by leaving them hundreds of dollars out of pocket even when their doctor merely charged \$1 above the rebate!

I strongly urge that this practice of "No Gap" policies end and that patients among different health funds are treated equal. Most patients understand and accept the need for a small to modest 'Gap'. It is the large out of pocket expenses that are the

real issue and the “No Gap” health funds are a major if not the biggest contributor to this.

Kind Regards

Specialist Anaesthetist