

Date of communication:	Thursday 16 November 2017
Communication to:	Senator Rachel Siewert, Chair of the Community Affairs Reference Committee
Communication from:	Sheena Jack, Chief Executive Officer and Managing Director of HCF
Subject:	Inquiry into the value and affordability of private health insurance and out-of-pocket medical costs Hearing in Sydney on Tuesday 31 October 2017 - questions taken on notice

Questions from Senator Brockman, Senator Di Natale and Senator Griff taken on notice

From page 55 of the proof Hansard transcript:

Dr Crombie: There are 12,000 dentists in Australia; 6,000 are on our network. Clearly, they trade off a little bit of price to get more volume from being associated with the Bupa name. That's what we do on behalf of Bupa members. That's how it works for them as a group.

Mr Longshaw: What we also see quite regularly is that different age cohorts of customers will be charged different fees for the same service. They may discount the fee for a child or a pensioner, and they may charge full rate for an adult for exactly the same service. All of those things happen. We'd be happy to provide the span of that, if you'd like to see it.

Senator Brockman: Yes, that would be good. Ms Jack, are similar arrangements happening in the not-for-profit sector?

Ms Jack: We do run a dental network. I think the structure is a bit different from Bupa's, though. I am not familiar with that. I'd need to take that on notice. Primarily, we employ our dentists, and we just set the fees within our dental network. Any of our members can go to our network or to any of the other providers.

Senator Brockman: The arrangements may be different, but it's to provide certainty to your members; is that why you would do that?

Ms Jack: And value to our members, actually, so that we can ensure that they get a range of no-gap services.

Senator Di Natale: Are you saying there are or aren't differential rebates? I didn't hear you correctly. Is it the same rebate for a contracted and uncontracted provider?

Ms Jack: I'd have to take that question on notice.


From page 60 of the proof Hansard transcript:

Senator Griff: So it's a very similar product to what Bupa have, you have an equivalent to sell, basically?

Ms Jack: I do believe that actually some of the structures between what we have and what Bupa has are different, but I've already made a note on that to take that on notice.

Ms Jack's response

Bupa's arrangements so far as I understand them extend to all or most dental services, and they are different in nature to HCF's. The design and purpose of HCF's network is to provide our members with certainty around the cost of preventive services, removing one of the barriers that might cause people to avoid going to the dentist. We do this by fully covering (i.e. providing 'no gap') dental check-ups, clean and scales, x-rays and mouthguards with our participating "More For Teeth" dentists, of which there are ~6,500 in 2017, and HCF's own dental centres - nine in metropolitan Sydney and one in Belconnen in ACT. The 'no-gap' is made possible by a



higher rebate for each of those specific preventive services. The higher rebate is based primarily on the 80th percentile of the dentists' charges so that the great majority of dentists would not be financially disadvantaged by joining the program. Dentists are free to practise outside the program, for example in other clinics, and we don't place any obligations on them around their charges for other dental services.

In summary, HCF aims to provide cost certainty for members as well as promoting good oral health by fully covering their routine dental preventive services. This is made possible through a higher rebate for those specific services and dentists agreeing to charge no more than that rebate. HCF promotes good oral health, not "preferred providers."