Making price transparency work

Suggested amendments to the Health Legislation Amendment (Improving Choice and Transparency for Private Health Consumers) Bill 2026

Senate Community Affairs Legislation Committee

Professor. Anthony Scott	Director, Centre for Health Economics, Monash Business School, Monash University
Dr. Susan Méndez	Melbourne Institute of Applied Economic and Social Research, The University of Melbourne
Associate Prof. Jongsay Yong	Melbourne Institute of Applied Economic and Social Research, The University of Melbourne
Dr. Khic-Houy Prang	Centre for Health Policy, Melbourne School of Population and Global Health, University of Melbourne

Making price transparency work

We are a group of economists and health service researchers who have conducted research around price transparency of doctors' fees. Please see attached paper that summarises our research and helps justify the suggested amendments below (Méndez, Yong, Scott, Prang, & Elshaug, 2025). We strongly agree with the principles of price transparency for all medical services to increase consumer choice and reduce out of pocket costs.

However, the legislation, and the original policy was tasked with only improving transparency. It was never explicitly stated that the policy objective is to reduce out of pocket costs. Transparency by itself is insufficient to lead to better outcomes for patients.

Given our knowledge of the area, we would suggest several changes to the legislation to ensures it has the best chance of leading to reductions in out-of-pocket costs for patients.

1. Based on previous studies and evidence, there is a high chance that doctors will use the website more than patients. Fees charged may increase as doctors see what other doctors are charging for the same service. Doctors may use the information to set prices and collude, which can be illegal.[1] The wording throughout the legislation about 'publishing' fees needs to be defined specifically so that the information is more carefully directed to patients and not doctors. The phrases associataed with the word *'Publishing'* should be replaced by *'made available to patients'*. This amendment makes it clear who the information is aimed at and supports the government to think of ways that patients can access this information, other than through the website. Additional channels should include an integration of the information into the 1800 Medicare and HealthDirect platforms, as well as enabling and supporting GPs to access and share this information at the point of referral. Building this information into these platforms is likely to be much more effective that the current Medical Cost Finder website, which many patients may not be aware of, or unsure how they can use this information (e.g. taking GP referrals to any non-GP specialist). Over time, additional relevant information, e.g., information on care quality, could be fed into these platforms to inform consumer decision making. This would also reduce the likelihood of doctors using these data to increase fees which would be contrary to the policy objective.

2. We strongly support the information be made available to GPs either through their IT systems or through the companies supporting appointment systems or AI scribes, so the information is available at the point of referral and contained in medical records.

3. The information should also include the publication of individual GPs'/ GP practice's fees and bulk billing rates.

4. In the spirit of transparency, the AMA recommended list of medical fees should be required to be publicly accessible.

5. The linkage of data, particularly the Hospital Casemix Protocol data on private hospital activity and charges as well as the CROMP data and MBS data, should be linked to ABS PLIDA data, as well as with linkage to data on public hospital admissions. This would be

[1] https://www.accc.gov.au/business/competition-and-exemptions/associations-and-professional-services/medical-professionals

straightforward at doctor level (provider number – with this linked to PLIDA via CROMP) but should also be considered at patient level through probabilistic matching. This should be mentioned in the legislation. These data would then be able to be made available to researchers via the ABS PLIDA data to enable and encourage evaluation of the impact of the policy changes and enable the department to monitor its effects.

6. The Department should be required to fund an academic evaluation of the impact of the changes they will make on patients out of pocket costs, health status, and fee setting by doctors. Despite our best efforts since 2019 in several communications with the Department and several unsuccessful grant applications to NHMRC and ARC, unfortunately there seems little interest in evaluating the effects of this policy on patients' out of pocket costs and health outcomes. There are many questions to which we do not know the answers but can influence the effectiveness of the policy.
    - Will improved transparency place more pressure on public hospitals?
    - Which patients are able to exercise choice and which patient groups will need support and advice about how to navigate an already complex system. If more educated patients are better able to use this information, this may increase inequalities in access.
    - Will out of pocket costs rise or fall because of this policy?

7. Since the current evidence, mainly form the United States, is mixed then careful policy design, and our proposed amendments, becomes very important to help ensure a positive impact. We strongly encourage the Department to either i) stagger the implementation of the policy, either across geographical areas or across different specialties, so it is possible to conduct a rigorous evaluation with a control group of geographic areas or specialties who are not yet exposed to the policy change, or ii) set up a randomised trial with patients randomised to receive this information or not, also creating a control group to enable comparison. Only this way can we examine impact of the policy on relevant patient outcomes in a scientifically rigorous way.

References

Méndez, S. J., Yong, J., Scott, A., Prang, K.-H., & Elshaug, A. G. (2025). Price Transparency in Specialist Markets. *Australian Economic Review*, 1-4. doi:https://doi.org/10.1111/1467-8462.70051