

Government Senators' Additional Comments

1.1 Coalition Senators believe that private health insurance is both an essential and valuable part of a mixed healthcare system.

1.2 The public and private nature of the healthcare system is important and worth preserving.

1.3 Reforms announced in October 2017 by the Minister for Health, represent a fundamental commitment to this public and private mix. They are designed to strengthen our healthcare system.

1.4 The changes include:

- Allowing insurers to discount hospital insurance premiums for 18 to 29 year olds by up to 10 per cent. The discount will phase out after people turn 40.
- People with hospital insurance that does not offer full cover for mental health treatment will be able to upgrade their cover and access mental health services without a waiting period on a once-off basis.
- Insurers will be able to offer travel and accommodation benefits for people in regional and rural areas that need to travel for treatment.
- Reducing the price of implanted medical devices from 1 February next year.
- Increase the maximum excess consumers can choose under their health insurance policies for the first time since 2001.
- Simplify private health insurance by requiring insurers to categorise products as gold/silver/bronze/basic, and use standardised definitions for treatments.
- Increasing the resourcing and powers of the Private Health Insurance Ombudsman to ensure consumer complaints are resolved clearly and quickly.
- The establishment of expert committees to look at out-of-pocket costs and other matters impacting consumers.

1.5 This combination of reforms makes some of the recommendations of the majority report incorrectly targeted.

1.6 Whilst Coalition Senators are broadly supportive of the majority report, we believe the following alternate recommendations would present a more measured policy response to the issues raised.

1.7 In particular, the Coalition Senators do not recommend additional legislative changes beyond those initiated through the comprehensive package of measures announced by the Minister for Health in October 2017 as part of the private health insurance reform package.

Recommendation 2

1.8 The committee recommends that the Minister for Health instruct the out-of-pocket costs committee to consider requiring private health insurers to publish all rebates by policy and item number.

Recommendation 3

1.9 The committee recommends that the Minister for Health instruct the out-of-pocket costs committee to consider the merit of publishing the fees of individual medical practitioners.

Recommendation 13

1.10 The Committee recommends that the Commonwealth Government ask the Private Health Insurance Ombudsman whether the practice of differential rebating exists and is having a detrimental impact on consumers overall. If so, to recommend options—including legislative changes—to mitigate impact on consumers.

Recommendation 17

1.11 The Committee recommends that the Commonwealth Government ask the Private Health Insurance Ombudsman whether legislating requirements of 'adequate written notice' to insurance policy changes is needed and will benefit consumers overall. If so, to propose options—including legislative changes—that may benefit consumers.

Conclusion

1.12 It is essential for the health of our country that we continue to maintain a strong and competitive private health insurance market and continue to improve outcomes for patients. We believe that the recently announced reforms will help to achieve that.

1.13 Additional legislative change not based on evidence could have unforeseen consequences that may be detrimental to consumers and to our healthcare system.