13 October 2011

Louise Macleod
Director
Intelligence, Infocentre & Policy Liaison Branch
GPO Box 3131
Canberra ACT 2601
By email: phireport@accc.gov.au

Dear Ms Macleod,

Submission from Australian Society of Plastic Surgeons relating to the ACCC report for the Australian Senate on private health insurance (ACCC Reference: 46135)

Thank you for your email dated 10 August 2011 (ref: 46135).

As a declared health professional body relating to the Health Insurance Act 1973, Australian Society of Plastic Surgeons (ASPS) welcomes the opportunity to provide comments on private health insurance (PHI) and especially relating to any anti-competitive practices and related matters.

We apologise for overstepping the deadline of 5 September 2011 but hope the ACCC might still consider our contribution. We would welcome an opportunity to meet you to go through the issues in detail.

Our specific comments below relate to informed financial consent and health fund products with policy restrictions. We make some general comments on the remaining issues.

Our previous submissions to the ACCC on 29 October 2008 and 21 November 2007 remain relevant and overall we see no significant improvement to the situation in the intervening period.

During 2010, following a national survey of ASPS members relating to their experience of patient exclusions and the level of transparency in the offer to consumers by private health insurers, ASPS consulted with both the PHIO Ombudsman, Samantha Gavel, and the Australian Health Insurance Association’s CEO, Michael Armitage. Ms Gavel responded positively and undertook to assist consumers to better understand the specifics of the exclusions pertaining to their policies through the inclusion on the PHIO website of a detailed fact sheet specific to plastic surgery.

Our submission to Ms Gavel identified that health funds sell products which restrict access to certain item numbers from the MBS schedule. While restrictive policies which relate to, for example, obstetric services or cardiac services are readily understood, those that relate to restrictions on Plastic and Reconstructive Surgery are less clear.

This is largely due to patients’ confusion in the terms, “plastic surgery” and “cosmetic surgery”. In fact cosmetic surgery is part of the practice of plastic surgery. The result is that patients unwittingly restrict themselves from services relating to cancer, burns, trauma, to name but a few. Our Society receives many complaints from patients and members regarding this. For example a patient who has a skin cancer removed cannot have the defect reconstructed, or a patient who has had breast cancer cannot have the breast reconstructed.
The problem persists. Many people do not know the avenues available for complaints and simply accept what they are told by the fund. We believe the promotion and selling of products without full disclosure severely restricts the options patients have and leaves them significantly disadvantaged. Australian Society of Plastic Surgeons believes that products which exclude patients from treatment for cancer, trauma and burns (i.e. unpredictable events) should not be available. If these products are available then the level of disclosure should leave no doubt in the patient’s mind as to what they are excluding.

ASPS believes further improvements to transparency are needed. In summary, insurance providers need to:

- Improve the disclosure in their promotional material by using plain English descriptors in an expanded section on exclusions for plastic surgery procedures;
- Include a more prominent reference to www.privatehealth.gov.au in all promotional material and in the covering letter.
- Insurance providers should be required to ensure greater flexibility to enable consumers to be reimbursed at their full entitlement regardless of how they elect to pay their bill. The main issue here is that patients who settle their bill with the practitioner directly should not be disadvantaged from claiming their full entitlement at the highest rate the Health Fund pays.

Thank you again for the opportunity to raise these important matters with you. We wish you well in your preparation of the ACCC report to the Australian Senate.

Yours sincerely

Hugh Bartholomeusz OAM RFD MBBS MD FRACS
Chairman, Fees Committee

cc. Rod Cooter, President ASPS
    Gaye Phillips, Chief Executive ASPS