

## Kulakowski-Rupert, Julia

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**From:** patrizia.trubiano@rsmi.com.au on behalf of podiatric.surgeons@rsmi.com.au  
**Sent:** Thursday, 20 September 2012 5:02 PM  
**To:** phireport  
**Subject:** TRIM: ACCC Senate report on private health insurance - consultation letter  
**Attachments:** Consultation letter re ACCC report to Senate on private health insurance.pdf;  
ACCC Report to Senate on Private Health Insurance.pdf;  
Attachment.22.NSW.Podiatric surgeon [REDACTED] Health fund response.pdf;  
Attachment.4.WA.Patient.4.pdf; Attatchment.9.WA.Email.3.pdf;  
Attactment.7.WA.Email.1.pdf; Attchment.3.WA.Patient.3.pdf;  
Attchment.5.WA.Patient.5.pdf; Attchment.6.WA.Patient.6.pdf;  
Attachment.17.NSW.Patient complaint.4.pdf; Attachment 1.WA.Patient.1.pdf;  
Attachment 2.WA patient.2.pdf; Attachment 20.Letter from [REDACTED] SA Podiatrist 2  
12.7.11.pdf; Attachment 21.Letter from [REDACTED] SA podiatrist 23.3.11.pdf;  
Attachment.8.WA.Email.2.pdf; Attachment.10.WA.Eamil.4.pdf;  
Attachment.11.Patient complaint Oct.2011.pdf; Attachment.12.Patient complaint  
14.4.11.pdf; Attachment.13.Patient complaint 18.10.10.pdf;  
Attachment.14.NSW.Patient complaint.1.pdf; Attachment.15.NSW.Patient  
complaint.2.pdf; Attachment.16.NSW.Patient complaint.3.pdf;  
Attachment.19.Vic [REDACTED] podiatric response March 2012.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**TRIM Record Number:** D12/141061

Dear Mr Cooper

Please find attached a copy of our submission. A hardcopy is also being mailed to you.

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Regards

Pat Trubiano  
Assistant Secretary  
Australasian College of Podiatric Surgeons  
PO Box 248  
Collins Street West Vic 8007  
Tel: (03) 9286 1888  
Fax: (03) 9286 1880  
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Web: [www.acps.edu.au](http://www.acps.edu.au)

From: "phireport" <[phireport@accc.gov.au](mailto:phireport@accc.gov.au)>  
To:  
Cc: "phireport" <[phireport@accc.gov.au](mailto:phireport@accc.gov.au)>  
Date: 03/09/2012 05:25 PM  
Subject: ACCC Senate report on private health insurance - consultation letter [SEC=UNCLASSIFIED]  
Sent by: "Kulakowski-Rupert, Julia" <[Julia.Kulakowski-Rupert@accc.gov.au](mailto:Julia.Kulakowski-Rupert@accc.gov.au)>

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Dear Stakeholder,

The ACCC is preparing to report to the Senate in relation to private health insurance. This year we will examine issues that have not formed the focus of previous ACCC reports. The details of this focus are outlined in the attached

consultation letter.

If you would like to make a submission on the matters outlined in the letter please do so by email to [phireport@acc.gov.au](mailto:phireport@acc.gov.au) by **Friday 21 September 2012**.

We will be making submissions available on our website. If your submission is confidential, in part or in full, and you do not wish to have it published please indicate this clearly.

We would also like to take this opportunity to invite you to meet with the ACCC to discuss any issues or concerns arising from the consultation letter, or the report more generally.

If you are interested in meeting with the ACCC, please let us know when you would be available.

Kind regards,

**Julia Kulakowski-Rupert**

Senior Project Officer | Competition & Consumer Policy  
Intelligence, Infocentre & Policy Liaison Branch

**Australian Competition & Consumer Commission**

23 Marcus Clarke Street Canberra 2601

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Our ref: 49296  
Contact officer: Ian Lawrence  
Contact phone: 02 6243 1058

3 September 2012

Dear Stakeholder

**Re: ACCC Report to Senate on Private Health Insurance**

The Australian Competition and Consumer Commission (ACCC) is inviting interested parties to comment on preliminary issues identified by the ACCC in preparing a report to the Australian Senate on private health insurance.

The Senate requires the ACCC to provide an annual assessment of 'any anti-competitive or other practices by health funds or providers which reduce the extent of health cover for consumers and increase their out-of-pocket medical or other expenses'.

The report will cover the period 1 July 2011 to 30 June 2012. It will be the fourteenth report prepared by the ACCC in compliance with an order agreed to by the Senate on 25 March 1999 and amended on 18 September 2002.

This year the ACCC proposes to examine issues that reduce the extent of health cover and increase consumers' out-of-pocket expenses which have not formed the focus of previous ACCC reports to the Senate.

In particular, the ACCC will inquire into a perceived lack of recognition of certain allied health care providers by health funds. The ACCC has identified circumstances where certain providers of health care are not recognised by private health insurers while others providing the same or similar services, with different qualifications, are recognised. It has been suggested that in some circumstances this distinction is not justified and places allied health care providers at a competitive disadvantage, and has the potential to impact negatively on consumers.

For example, most health funds do not provide scope for consumers to claim rebates from dental therapists, dental hygienists and oral health therapists for preventative and operative dental procedures. It has been put to the ACCC that the services they provide are of the same quality as those similar services provided by dentists.

Similarly, foot and ankle surgery performed by a podiatric surgeon is not usually covered by health funds, yet the same type of procedure carried out by an orthopaedic surgeon is fully covered.

The ACCC would like to examine the effects of such distinction between different providers of the same or similar services and understand whether the distinction is warranted in all cases. I would appreciate your views on the following:

1. Examples where allied health care providers offer the same or similar services as other providers and are not recognised by health funds.
2. In each instance referred to, whether this lack of recognition is warranted. In particular, are there any regulatory, medical or other reasons for this lack of recognition?
3. Whether this lack of recognition places allied health care providers at a competitive disadvantage. If so, how are allied health care providers disadvantaged by the practices of health funds?
4. Whether this lack of recognition results in a reduction in the extent of health cover or an increase in the out-of-pocket medical expenses of consumers. If so, what is the detriment or loss suffered by consumers?

Submissions can be made in writing to the ACCC or by email to [phireport@accc.gov.au](mailto:phireport@accc.gov.au) by **21 September 2012**.

This year the ACCC will again make submissions available on its website. If your submission is confidential, in part or in full, and you do not wish to have it published please indicate this clearly.

Yours sincerely



Bruce Cooper  
General Manager  
Intelligence, Infocentre and Policy Liaison Branch





# Australasian College of Podiatric Surgeons

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ACN 087 751 497

20 September 2012  
ACPS001/SUBMISSIONS

Mr Bruce Cooper  
General Manager  
Intelligence, Infocentre and Policy Liaison Branch  
GPO Box 3131  
CANBERRA ACT 2601

Dear Mr Cooper

## **ACCC Report to Senate on Private Health Insurance**

The Australasian College of Podiatric Surgeons (ACPS or the College) thanks you for the invitation to provide a submission for your report to the Australian Senate.

The ACPS's position on this matter has been supported by the Australasian Podiatry Council (APodC) in its submission. The College also supports the points raised in the APodC submission.

The ACPS submits further evidence of ongoing anticompetitive practices by health funds regarding podiatric surgery (covering the period 1 July 2011 to 30 June 2012). Importantly, the ACPS in its 2010 ACCC submission, reported anticompetitive practices by health funds regarding podiatric surgery have been ongoing since 2004. Specifically, patients seeking foot and ankle surgery from podiatric surgeons, do not receive the same level of health insurance cover as other specialist providers of the same services. Such other providers include orthopaedic, plastic and general surgeons.

In 2005, the Senate Budget Estimates Committee on Community Affairs Legislation recognised anticompetitive practices by health funds regarding podiatric surgery.

*"I would have thought that that type of attitude by the funds is well and truly against the essence of what this government is trying to do, and that is to create a level playing field for people who choose to go to a podiatric surgeon as opposed to an orthopaedic surgeon."*  
(Quote from the Hansard on Thursday, 2 June 2005)

Under Health Practitioner Regulation National Law 2010, podiatric surgeons are recognised as specialists in the same manner as other providers of foot and ankle surgery. Health care research has clearly demonstrated that podiatric surgery is safe, effective and improves patient quality of life<sup>1-4</sup>. Independent economic analysis has also demonstrated that podiatric surgery is cost effective but underutilised<sup>5-6</sup>. Based on this evidence, there is no justification for the longstanding anticompetitive practice by health funds regarding podiatric surgery.

The ACPS provides evidence from patients (including a letter to the Federal Health Minister) in *attachments 1-18* and health funds in *attachments 19-22*. The submitted evidence from across Australia demonstrates the following:

1. the longstanding anticompetitive health fund practices mean that patient choice in provider is been unfairly restricted and podiatric surgeons are not recognised in the same way as other providers of the same services;
2. many health funds use the Medicare Benefits Schedule (MBS) as justification for anticompetitive practices. In 2005, the Senate Budget Estimates Committee Hearing was informed of this by the the Private Health Insurance Ombudsman.

*"I have had complaints about this issue on an ongoing basis. It has been general practice across the health insurance industry not to cover podiatric surgery to the extent that other surgery is covered. Part of the reason for that is that podiatric surgeons' surgery procedures do not have Medicare Benefits Schedule coverage and many of the funds link the payment of their hospital benefits to whether or not Medicare will pay"*

(Mr Powlay, the Private Health Insurance Ombudsman commented on Thursday, 2 June 2005).

The Private Health Insurance Ombudsman website documents the anticompetitive coverage of podiatric surgery by health funds (<http://www.phio.org.au/whats-new/whats-new/factsheet-podiatric-surgery.aspx>).

The ACPS has attempted to negotiate with the health funds to rectify the way they cover podiatric surgery. Such attempts were with both individual health funds and the Private Health Insurance Association. The discussions were based on the recognition of podiatric surgeons as providers of *professional attention* in 2004 (Health Legislation Amendment (Podiatric Surgery and Other Matters Bill 2004). Health funds, for example BUPA have refused to modify their position regarding linking non MBS coverage to podiatric surgical cover;

3. the choice by health funds to manage podiatric surgical claims in an anticompetitive manner places podiatric surgeons at a competitive disadvantage; and
4. the Australian public does not have financial equity of access when seeking foot and ankle surgery from all recognised specialists. This is because of the reduction in the extent of health cover for podiatric surgery and the associated increase in the out-of-pocket medical expenses for consumers.

This submission documents the longstanding inequality in the Australian public's choice of healthcare provider for foot and ankle surgery. The anticompetitive practices of the health funds regarding podiatric surgery is summarised as follows:

1. podiatric surgery remains in a "rebate limbo" with poor and inconsistent private health rebates and no Medicare rebate; and
2. reforms need to be considered for both MBS and private insurers. Only when this reform occurs will true competition be able to flourish to the benefit of the Australian Public.

The ACPS thanks you for the opportunity to provide this submission and is available to provide further information upon request.

Kind regards



Rob Hermann, FACPS  
President

*References*

1. *Butterworth P, Gilheany MF and Tinley P, Postoperative infection rates in foot and ankle surgery: a clinical audit of Australian podiatric surgeons, January to December 2007. Health Review, 2010. 34(2):180-85*
2. *Bennett PJ: Prevalence and type of foot surgery performed in Australia: A clinical review. Foot 2007, 17:197-204.*
3. *Bennett PJ, Patterson C, Dunne MP: Health- related quality of life following podiatric surgery. Journal of the American Podiatric Medical Association 2001, 91:164-173.*
4. *Bennett PJ: Health Related Quality of Life change following podiatric surgery in WA: A collaborative report 2011 to 2012. Commission by HBF WA and ACPS.*
5. *ACCESS Economics: The Economic Impact of Podiatric Surgery. Commission by ACPS 2010.*
6. *Gilheany MF and Robinson P: Is there a role for podiatric surgeons in public hospitals? An audit of surgery to the great toe joint in Victoria, 1999-2003. Australian Health Review 2009, 33(4): 690-95*

Dear Dr [REDACTED]

Thank you for your email to [REDACTED].

As previously stated, [REDACTED] does not pay benefits towards surgical podiatry, as such services are not claimable through Medicare. If the member chooses to go ahead with a procedure, [REDACTED] will only pay towards the hospital costs as a medical admission and will not pay towards theatre fees. This will result in significant out-of-pocket expenses for the member. [REDACTED] will also pay a portion of the anaesthetist costs where a valid MBS item number is raised.

**In such situations, it is recommended that the patient have the procedure done by an orthopaedic surgeon.** If she does so, she will be able to claim towards the costs of the procedure through both Medicare and [REDACTED] and the fund will pay the hospital costs, less any applicable excess. This will save the member a considerable amount of out-of-pocket expense for the procedure.

If we can be of further assistance, please call your [REDACTED] [REDACTED] on [REDACTED] between 8.30am and 5.00pm (EST) Monday to Friday, or email [REDACTED].  
Healthy regards,

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[REDACTED]  
Member Relations Consultant

[REDACTED]

██████████ was just told by ██████████ that they will not cover her surgery or her entire theatre/hospital costs because it is podiatric surgery even though she has top cover. She was told that she would receive a much better rebate if she went to an orthopaedic surgeon. ██████████ was appalled but is very sure that you are the right person to do her surgery so she is going to discuss the financial side of it with her husband, if they can afford it she will still go ahead with the surgery.





From: [REDACTED]  
Subject: [REDACTED] - surgery cancelled  
Date: 13 July 2011 10:38:25 AM AWST  
To: [REDACTED]

Hi [REDACTED],

We had pencilled [REDACTED] in for surgery on Monday 15th August as a TBC. She went to [REDACTED] and they will not allow her to claim anything. She obtained a quote for an orthopaedic surgeon, and [REDACTED] will let her claim the entire amount so that is her reason for cancelling.

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[REDACTED]  
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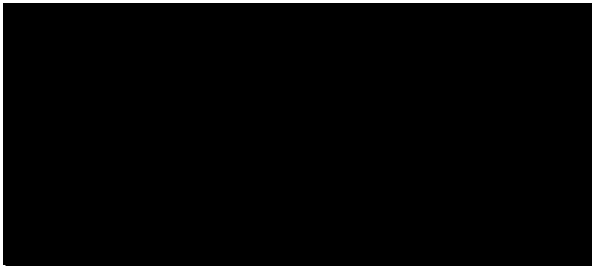
From: [REDACTED]  
Subject: [REDACTED]  
Date: 14 June 2012 11:30:05 AM AWST  
To: [REDACTED]

Has cancelled her surgery. She was having a metatarsal osteotomy in August. She had originally told us she would go ahead regardless of her rebate but since talking to [REDACTED] she has changed her mind. They will only rebate a small amount and they advised her to go to an orthopaedic surgeon instead.

[REDACTED]

██████████ was just told by ██████████ that they will not cover her surgery or her entire theatre/hospital costs because it is podiatric surgery even though she has top cover. She was told that she would receive a much better rebate if she went to an orthopaedic surgeon.

██████████ was appalled but is very sure that you are the right person to do her surgery so she is going to discuss the financial side of it with her husband, if they can afford it she will still go ahead with the surgery.



**From:** [REDACTED]  
**Sent:** Fri 14/09/2012 6:05 PM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** [REDACTED]

Hi [REDACTED], I telephoned [REDACTED] today to follow up from her surgical opinion appointment and see if she had any questions. She said you were going to operate on both feet at once to save costs. [REDACTED] informed me that [REDACTED] will not cover her for podiatric surgery with you as Podiatric Surgeons are not recognized, and she would be \$3000 - \$4000 out of pocket and also the anethetist would cost her anywhere between \$200 - \$1000. [REDACTED] informed [REDACTED] that if she had surgery done by an orthopaedic surgeon she would hardly have any out of pocket expenses and gave her a list of the orthopaedic surgeons she could contact. As [REDACTED] is on a pension she cannot afford to pay your fees, so she has opted to have surgery done by an orthopaedic surgeon and she has an appointment to see [REDACTED] at the [REDACTED]. [REDACTED] is going to have one foot done at a time. [REDACTED] asked me to thank you very much as you were really lovely to her and explained everything really well and to apologize.

Kind regards

[REDACTED]

[REDACTED]

**From:** [REDACTED]

**Sent:** Thu 19/07/2012 7:55 PM

**To:** [REDACTED]

**Cc:** [REDACTED]

**Subject:** [REDACTED]

Hi [REDACTED],

[REDACTED] rang to say thank you for the offer of a payment plan regarding surgery. However, she is still unable to go ahead at the present time due to finances. She is quite upset that "podiatric surgery" is not recognised by her healthfund. [REDACTED] have said the rebate for surgery fees will be just \$900.00 plus an ex-gratia payment of \$50 for anaesthetist fee.

I briefly discussed the Ombudman but did not want to pressure her too much. She seems really upset & is going to see her GP with a view to going thru' an orthopaedic surgeon instead.

Regards  
[REDACTED]



From: [REDACTED] <[REDACTED]>

Date: Tue, May 22, 2012 at 3:23 PM

Subject: Re: foot surgery quote

To: [REDACTED]

[REDACTED],

I have just found out that none of the costs as per your quote are covered by my private health fund. i am very disappointed that although it was discussed that there was some variation between health funds, some of it would be claimable. Furthermore, as no medical Dr would be performing the operation, then the anaesthetist and OT costs are also not claimable.

I would like to advise that we wish to cancel the procedure and might I suggest that you forewarn customers in future that a podiatrist does not get covered for procedures performed in private centres.

Yours sincerely,

[REDACTED]

**From:** [REDACTED]  
**Sent:** Friday, 7 September 2012 1:24 PM  
**To:** [REDACTED]  
**Subject:** podiatric Surgery

Mrs [REDACTED]  
15 [REDACTED] 6210

RE: Podiatric Surgery

Thank you for contacting me to advise of your situation with regards to cancelling your foot procedure due to the fact that podiatric surgery is not adequately covered with medicare or private health fund.

I will be happy to forward your concerns as requested.

Kind regards,

[REDACTED]  
Podiatric Surgeon

**From:** [REDACTED]

**Sent:** Thursday, 6 September 2012 11:02 AM

**To:** [REDACTED]

**Subject:** Health concerns

Dear [REDACTED]

I live in [REDACTED] approximately [REDACTED] km from Perth and am 57 years old.

I have been in constant pain for 9 months and can't walk more than 20 metres at a time without excruciating pain following a plantar fascia injury while playing [REDACTED]. This has led to tarsal tunnel syndrome in my heel, and despite two new sets of orthotics and three courses of cortisone injections, there has been no improvement, so I am booked in for surgery this [REDACTED] at [REDACTED] private Hospital with [REDACTED] (Podiatric Surgeon). My condition has meant I have been unable to do my regular forms of exercise which in turn has further exacerbated a mild depression issue, which in turn again has led a general feeling of lethargy and resulted in my gaining 15 kilos in this time, which again presents further health problems, hence the need for corrective surgery. I know other people who have endured my condition and have since been operated on by [REDACTED] with outstanding pain free results.

Several problems here:

1. [REDACTED] will not contribute for travel, because despite being an operation I can't have done in [REDACTED] they consider it [REDACTED] (They similarly refused a [REDACTED] payment for a colonoscopy in Perth – original was done there 5 years ago, so this was a follow up I thought made good sense by continuing with same specialist. They said this procedure is available in [REDACTED], however earliest possible date is JUNE 2013 – could die from undiagnosed colon cancer well before then!!!)
2. Despite maintaining top private health cover all my adult life (and paying taxes – hence the Medicare levy) [REDACTED] (Member No. [REDACTED]) say a Podiatric Surgeon is not recognised by Medicare, so they will not pay.
3. Cost is: Hospital \$1,432 (unless complications mean o/night stay, then goes to \$1,600), Surgery cost for [REDACTED]: approx \$1,578, plus anaesthetist costs (amount as yet unknown, but expected to be about \$1,500)

This is so wrong, so I have two questions I would like addressed please:

1. If [REDACTED] is not recognised by Medicare, then why is he: a) allowed to perform operations, and b) allowed to use hospital facilities to perform such. Surely this is a double standard, and one for which I am paying heavily thru private health cover and Medicare.
2. If this can't be resolved, should I cancel my operation, and cancel my private health cover. Doing so will make this condition worse, also worsening the weight, lethargy, depression and associated health issues. However my doctor can then deem me unfit for work, and I can receive free medical treatment and Centrelink benefits for the remainder of my life. This would not only remove a contributing member of society (both in work and community activities such as performing [REDACTED]), but over the course of time probably cost hundreds of thousands of dollars, compared to providing a duty of care now for somebody who has always paid their dues in good faith.

I look forward to your early reply.





12 July 2011.

Dear [REDACTED]

**RE: PODIATRIC SURGERY BENEFITS**

Thank you for your letter dated 12<sup>th</sup> April 2011 requesting further clarification of [REDACTED] Australia's position on the payment of benefits towards podiatric surgery.

Because Medicare does not pay benefits for podiatric surgery performed by podiatrists in a private hospital, [REDACTED] has made a business decision that we will pay a minimum benefit towards hospital accommodation and for any listed prosthesis. [REDACTED] will not pay any benefits towards any associated anaesthetic services, theatre fees or any medical fees for this procedure.

This business decision about when we will pay minimum benefits is consistent with the limits of our statutory obligations under current private health insurance legislation, in particular, s.72-1 of the *Private Health Insurance Act 2007* (Cth) ("PHI Act"). The PHI Act took effect from 1 April 2007 and replaced the previous requirements of the *National Health Act 1953* (Cth) and the Circulars relating to that Act to which you refer in your letter.

Under the PHI Act, we do have a statutory obligation to pay minimum benefits for hospital treatment comprising psychiatric, rehabilitation or palliative care, even where no Medicare benefit is payable (in accordance with item 1 of the table in s.72-1 of the PHI Act). However (under item 2 of the table), in other cases where no Medicare benefit is payable, and no statutory minimum benefit is payable (for example, non clinically necessary cosmetic surgery), we have decided that we will not pay a minimum benefit.

As further background, I also **attach** copies of:

- a Fact Sheet about Podiatric Surgery, issued by the Private Health Insurance Ombusman, which states:  
*"As there is no Medicare item number for a podiatric surgeon's services or the associated anaesthetist's service, it is not mandatory for a health fund to pay benefits from their hospital tables for these medical costs."*; and
- a Circular issued by the Department of Health and Ageing, PHI 40/11 dated 22 June 2011, which replaces circulars 42/04 and 42/05 (based on the previous legislation).

I trust that this clarifies our position sufficiently.

Yours Sincerely

[REDACTED]

[REDACTED]



23 March 2011

Dear [REDACTED]

**RE: PODIATRIC SURGERY BENEFITS**

Thank you for your letter about accessing funding above minimum benefits for Podiatric Surgery.

[REDACTED] has a fund policy that benefits are only payable for surgical procedures where Medicare pays benefits. There are therefore a number of procedures, not just Podiatric Surgery which are not recognised by Medicare and as such nil benefits are payable.

We note your comparison between [REDACTED] and [REDACTED] for the purposes of Podiatric Surgery benefits. This comparison is not relevant as the health insurance product purchased by members in the UK is vastly different to that purchased in Australia. There are numerous differences as to how each product operates. [REDACTED] has operations globally but these are stand alone independent businesses and payment or non payment of benefits by a given [REDACTED] business in one country has no precedent in other countries.

As you know there are no Medicare benefits payable at this point in time by Medicare for Podiatric Surgery. For Podiatric Surgery we have had a long standing policy in place of paying minimum benefits, which is over and above our minimum requirements as there is no Medicare Benefit payable.

It is also correct that we promote member choice of provider but there is always the overarching policy that hospital benefits are payable only where the procedure is recognised by Medicare.

We understand that the Australasian College of Podiatric Surgeons has for some time been lobbying the Government to gain eligibility for Medicare benefits. If this were to occur, we would then review our position with a view to paying higher benefits for hospital costs associated with Podiatric Surgery.

Until such time that Medicare commence paying benefits for Podiatric Surgery, the following is a summary of benefits applicable to admissions for this procedure:

Accommodation	Minimum same day or overnight benefit as gazetted by the Commonwealth
Theatre Fees	Nil benefits
Commonwealth Prosthesis	Benefits as per schedule (gap prosthesis paid at minimum level).
Podiatrist Fees	Nil benefits
Anaesthetist Fees	Nil benefits

In regard to the last point in your letter, we do sometimes advise members of alternative no gap options for foot procedures as there are significant gaps associated with Podiatric Surgery. However we do not provide any clinical advice on the matter to the member and ultimately it is the members choice as to who undertakes the procedure.

Yours Sincerely,

A large black rectangular redaction box covering the signature and name of the sender.

From: [REDACTED]  
Subject: [REDACTED] - cancelled surgery  
Date: 29 November 2011 4:28:20 PM AWST  
To: [REDACTED]

She was booked for a right 1st metatarsal osteotomy, repair of hallux rigidus with interposition of capsule, right 2nd and 3rd PIP fusion. She can't go ahead with surgery because [REDACTED] will only pay \$300, however if she goes to an orthopaedic surgeon she will get a better rebate.

Thanks,  
[REDACTED]

**From:** [REDACTED]  
**Subject:** Re: [REDACTED] - cancelled surgery  
**Date:** 29 November 2011 4:51:29 PM AWST  
**To:** [REDACTED]

when was she booked

On 29/11/2011, at 4:28 PM, [REDACTED] wrote:

She was booked for a right 1st metatarsal osteotomy, repair of hallux rigidus with interposition of capsule, right 2nd and 3rd PIP fusion. She can't go ahead with surgery because [REDACTED] will only pay \$300, however if she goes to an orthopaedic surgeon she will get a better rebate.

Thanks,

[REDACTED]

From: [REDACTED]  
Subject: [REDACTED]  
Date: 4 October 2011 10:17:06 AM AWST  
To: [REDACTED]

Hi [REDACTED],

[REDACTED] cancelled the surgery that she was booked for on Monday 19th December, for a right 5th digital exostectomy. She said that she has been putting paw paw cream on her soft corn and the pain has gone away. She also said that if the pain did return, she would get the surgery done by an orthopaedic surgeon because of her health fund rebate.

Thanks,

[REDACTED]



To whom it may concern

In October 2011 I went to see [REDACTED] (podiatric surgeon) regarding bunion pain in both feet; following which he recommended surgery. I was subsequently informed by [REDACTED] (my private health fund) that despite having top cover it was limited to approximately \$100; sufficient for a couple of appointments. In addition to this the anaesthetist charge was not rebatable from Medicare, as the surgery was being performed by a podiatric surgeon rather than an orthopaedic surgeon.

The outcome was I was unable to have the surgery performed by my preferred surgeon, as I would have been left with a bill of between seven to ten thousand dollars. Consequently an orthopaedic surgeon performed my surgery; however they didn't perform the same procedure the podiatric surgeon recommended. The surgery wasn't successful and I'm facing further surgery to fix my chronic pain.

I feel the system needs to change to allow patients their choice of surgeon. Podiatric surgeons should be recognised by both the government and health funds. In my case both the government and [REDACTED] will now have to fund two hospital stays and two surgeries (with all the associated costs) and I must endure another long, frustrating and debilitating recuperation period.

Regards

[REDACTED]

**From:** [REDACTED]

**Sent:** Thursday, 14 April 2011 2:19 PM

**To:** Michelle

**Subject:** [REDACTED]

Dear Michelle,

I am writing to say thank you for your assistance with [REDACTED] operators in March.

During this ordeal I became very incensed at the way podiatric surgeons are being treated with such disdain. It is hardly a one year tafe course to get into podiatric surgeon profession.

I have written a letter and posted; [REDACTED]-her office has responded and is following up, Australian Government Private Health Insurance Ombudsman- they have responded and Amelia De Gregorio is the case manager),

[REDACTED] corporate head office -they have responded, [REDACTED] has apologised for the confusing information and agreed that podiatric surgeon pose changeling training in the company. The letter that was submitted will now be used for training purposes and [REDACTED] private hospital will also were mentioned regarding rebates for [REDACTED] surgery. I did request this should not happen again. [REDACTED] will now be a well know podiatric surgeon in [REDACTED], instead of one that had not filed the correct paperwork with [REDACTED]. All money will be refunded for my in hospital care, a bit better than the \$300. dollars that was going to be returned from [REDACTED] Private Hospital.

I am waiting for response back from The Hon Nicola Roxon MP, The Hon Peter Dutton MP, The Hon Natasha Griggs MP, [REDACTED] Private Hospital [REDACTED], [REDACTED] Head Office, [REDACTED] Head Office, Health and Community Services Complaints and the Private Health Insurance Council.

My letter included your help with [REDACTED], thank you and the Australian Government circular (2005).

I was truly appalled at how [REDACTED] staff and the [REDACTED] Private hospital administrator manager dealt with this on the 10 March.

I do believe the [REDACTED] Private Hospital admin staff are great though they helped me understand the system a little better.

I thought it best to advise the office, you may gets some calls. My aim was to make waves and force it back into parliament, lower and upper. [REDACTED] doesn't have a lot of choice.

I shouldn't be forced into using an orthopaedic surgeon if I could use a podiatric surgeon.

I will collect all correspondence that comes back and forward down to the office.

kind regards

[REDACTED]

[REDACTED]

18th October 2010

Private Health Insurance Ombudsman  
Australian Government  
Email: [info@phio.org.au](mailto:info@phio.org.au)

Member Health Fund: [REDACTED]

I am writing to report an issue I believe requires notice in reference to the payment of benefits for Surgical Podiatry. Following previous surgery by an orthopaedic surgeon in 1998, I had been receiving treatment by accredited surgical podiatrist [REDACTED] which eventuated in having to receive invasive surgery to correct problems with my feet in 2010. The following attachment is the correspondence that I sent to our private insurance provider [REDACTED] which explains the situation in relation to this recent surgery.

Although my personal situation has been resolved with the payment of all out of pocket expenses, my concern for others in the general population has prompted me to report this matter. The payment by [REDACTED] was made on the basis that wrong information had been given to me prior to the surgery and not through any sense of responsibility to fall in line with current legislation.

My concerns and complaints are:

1. Despite the current legislation which would support the payment of benefits for surgical podiatry by private health insurance companies, there seems to be little consideration or coherence to the 'intent' of this legislation.

*"The intention is to ensure that an admitted private patient being treated by an accredited podiatrist is able to access benefits, under an applicable benefits arrangement, for the hospital treatment costs as they would if a medical practitioner provided a professional service".*

(Private Health Insurance Ombudsman 2005 Quarterly Bulletin 35).

To this end legislation has addressed the following issues:

- Amended the Health Insurance Act to provide for podiatric surgery benefits notwithstanding their lack of Medicare eligibility
  - Requires funds to provide benefits for all hospital treatment, including surgery by an accredited podiatrist
  - Listing Fellows of the Australasian College of Podiatric Surgeons within the 'Professional Attention' classification
2. The lack of transparency in policy brochures relating to surgical podiatry
  3. Consultant confusion and mis-information given relating to surgical podiatry
  4. The resistance to give quotes or information in writing as a protection or reference point when requested by a member to do so
  5. The lack of service with follow-up on a complaint

All of the above has been expanded in the following correspondence with [REDACTED].

Yours Sincerely,  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
Resolutions Team

Attention: [REDACTED]

Fax [REDACTED]

3rd June 2010

Dear [REDACTED],

I am writing in regard to claims placed with [REDACTED] for a recent operation involving surgical podiatry. I have been informed that my claim has been forwarded on to you for resolution. I would like to put in writing information relating to this claim as to date there has been much mis-information received verbally and a marked lack of hard copy for reference by either myself or [REDACTED].

#### Background for Complaint

- 9th April 2010

A information statement was received by mail titled 'Private Health Insurance Standard Information Statement - Hospital Policy'. In the section 'WHAT MEDICAL SERVICES ARE ONLY COVERED TO A LIMITED EXTENT? (Restrictions, Benefit Limitation Periods)', it states that 'You are not fully covered for: Surgery by podiatrists - partly covered (see insurer for details)'.

- 9th April 2010 am

I had booked for an operation on both feet with a surgical podiatrist, so as advised in the information statement, I rang [REDACTED] to find out the benefits payable. I was very clear to the consultant that this operation was for surgical podiatry. She asked me if this operation was in a hospital, I said yes and I was assured that because it was in a hospital that the podiatrist, anaesthetist and the hospital/theatre/prosthesis would be fully covered with the exception of the \$300 excess that I would have to pay.

- 9th April 2010 am

After checking my health insurance policy, I rang [REDACTED] again because my understanding was there were two same-day or overnight surgeries a year that did not attract the \$300 excess and I wanted to confirm those details. I gave the next consultant the identical information as the first, being that: I was having surgery performed by a surgical podiatrist in a hospital with an anaesthetist. The consultant checked and there was no excess payable for day surgery. I was asked if the surgeon and anaesthetist had medicare provider numbers, I knew that the podiatrist did because I was claiming through the [REDACTED] program, and it was assumed that the anaesthetist had a provider number to make claims for his/her services. So the consultant said in that case, you are fully covered, just make sure that the prosthesis that are used are on a table that was claimable. I did not quite understand this part but thought that I would query this when I got to the surgery on Monday 12th April 2010 for my pre-op appointment. I did not give the matter any further thought at this point for the remainder of the day or over the weekend because I had been assured by two consultants that I would be covered and had fulfilled

the request by the health insurer to contact them for details relating to the amount claimable by the surgical podiatrist.

- 12th April 2010 1420

I attended my pre-operation appointment with podiatrist [REDACTED]. On arrival the receptionist gave me the estimated cost sheet. I said I had been advised by two separate persons from [REDACTED] that the full cost would be covered by my level of health insurance cover. The receptionist queried this information and as a consequence, I again phoned [REDACTED] to confirm the benefits payable. As before, I told the third consultant I was having my feet operated with a surgical podiatrist and wanted to confirm what [REDACTED] would pay as a benefit. I was again asked if the podiatrist had a Medicare provider number and my answer to this again was yes. I was asked if this operation would be in a hospital and my answer was yes. I was then told by the third consultant that all expenses would be covered and there would be no excess fee to pay. I asked the consultant if she would please speak to the receptionist and repeat what she had told me. The receptionist told me that the consultant had repeated that the podiatrist, hospital/theatre/prosthesis and anaesthetist were all covered in full, following which the receptionist asked could [REDACTED] send this through in writing. The consultant would not/could not, so the receptionist asked to speak to a supervisor. I heard the receptionist explain the situation to the supervisor, was asked if the podiatrist had a Medicare provider number (Yes), and again was told that the operation would be covered. After several occasions of drawing attention to the fact that this was a surgical podiatrist, finally the supervisor said that the hospital, theatre and the prostheses would be 100% covered, but there was no cover for the podiatric surgeon or the anaesthetist fees. The receptionist wrote on the quote form which was in front of her and I have sent this paper as an attachment. By this stage understandably, I was confused about what was and was not covered, but at least I was confident I would be covered 100% for my hospital/theatre/prosthesis costs.

- 14th April 2010

I arrived at the hospital for my operation, my admission was hurried, the coder had gone home and so I had no choice but to pay the hospital and to claim the benefits from [REDACTED] after the operation. When the anaesthetist came to see me pre-op, he thought that his fee would not be covered and I told him I was not sure if that was the case as I had been told by three consultants that it would be paid so long as the operation was performed within a hospital and the service providers had Medicare numbers. Further, I told the anaesthetist that the receptionist had been told by [REDACTED] that only the hospital costs would be covered. I went into theatre.

- 3rd May 2010

I attended the [REDACTED] office [REDACTED] and gave my claims for the [REDACTED] Community Hospital for the amount which I had paid of \$1476.00 (Invoice 86122 Receipts 17641 and 17642), and the account for the podiatrist [REDACTED] of \$2500.00 which had not been paid. I had not received the account from the anaesthetist. The consultant advised me she was unable to process the claim at the branch and that she had to send this off to head office to be paid. I observed a note attached which I asked to view directing the office to pay the hospital benefit directly into the member's



account and the podiatrist benefit to be paid directly to the podiatrist. The processing time, I was told would be approximately five working days.

• Thursday 20th May 2010

After 17 days I rang [REDACTED] to find out where the payments were. I was told that a cheque for \$329.00 had been processed on the 17th May 2010 and this benefit was to cover the hospital of which I had paid \$1476.00. I was told the fund would pay nothing toward the surgical podiatrist nor the anaesthetist. I was not happy with this situation after I had been told on numerous occasions that costs would be covered particularly in concern to the hospital cover. I discussed this with the consultant and suggested that under the circumstances, if this situation could not be resolved with a positive result, I would have no choice but to write to the Health Ombudsman with my complaint. The consultant put me on hold whilst he spoke to the supervisor. When he returned to the phone he explained that he had spoken to the supervisor and the supervisor would be in touch with me the next day or early next week. Although the cheque for \$329.00 did indeed arrive by post on that very day (instead of deposit into bank account as arrange from [REDACTED] branch), we/I am unable to bank it because it is made out to a [REDACTED] [REDACTED] which is not our address.

• 20th May 2010 - 1st June 2010

Through this period I received:

- A 'Statement of benefits paid' assessed on the 17/05/10 which was for prostheses - Surgical implants for payee [REDACTED] Community Hospital [REDACTED] for the sum of \$104.00. I have rung and confirmed this amount has been received by the hospital.
- A 'Statement of benefits paid' assessed on the 19/5/10 which was for podiatric surgery (Claim no. [REDACTED] for fee charged \$2500.00) for payee [REDACTED] which was deposited electronically into [REDACTED] bank account for the sum of \$104.00.

• Tuesday 1st June 2010

The supervisor from [REDACTED] had not contacted me within the 12 days so I rang the office and asked for the name of a person whom I could write to express my disagreement with the benefits paid. Your name Michelle was given to me as the person who had this file for attention and therefore I am sending through this letter by fax for your attention. Could you please respond in the first instance by emailing me at [REDACTED] to confirm that you have received this correspondence.

Included in this correspondence as attachments are the:

1. Mail referred to in paragraph two titled 'Private Health Insurance Standard Information Statement - Hospital Policy' (page 1).
2. [REDACTED] Community Hospital ([REDACTED]) Invoice [REDACTED] for \$1476
3. [REDACTED] Receipt 17641 for \$1441.00 paid by [REDACTED]
4. [REDACTED] Receipt 17642 for \$35 paid by [REDACTED]
5. Statement of benefits paid by [REDACTED] dated the 17/05/10 to [REDACTED] [REDACTED] for the sum of \$329.00.

6. Copy of wrongly addressed cheque paid by [REDACTED] to [REDACTED] for the sum of \$329.00.
7. [REDACTED] Invoice 86123 for \$142
8. Statement of benefits paid by Mutual Community dated the 17/05/10 to the Blackwood & Districts Community Hospital for the sum of \$104.00.
9. Anaesthetist [REDACTED] Medicare Provider [REDACTED]  
Invoice/Receipt no. 437 for \$900.00 paid by [REDACTED]
10. Surgical podiatrist [REDACTED] Commonwealth Government Accredited Podiatric Surgeon Medicare Provider [REDACTED]  
Receipt no. 00000325 for \$2318.00 paid by [REDACTED].
11. Statement of benefits paid dated the 19/05/10 to [REDACTED] for the sum of \$104.00 being for podiatric surgery.
12. Note referred to in paragraph 12th April 2010.

Michelle, my complaints relating to [REDACTED] are as follows.

- [REDACTED] have paid little benefit associated with my surgery by a podiatric surgeon despite current legislation introduced to provide specifically for this service.

Hospital costs \$1441.00	[REDACTED] paid \$329.
Protheses cost \$142	[REDACTED] paid \$104.
Anaesthetist cost \$900	[REDACTED] paid NIL.
National Accredited Surgical Podiatrist cost \$2500	[REDACTED] paid \$104.
Total cost \$5018	[REDACTED] have paid \$537.

I have detailed some of the legislation as follows. In relation to hospital costs, the Health Legislation Amendment (Podiatric Surgery and Other Matters) Bill 2004 (Department of Health and Ageing 2004) states: "Schedule 1, Part 1 provides for amendments to the Health Insurance Act 1973 to enable private health insurance funds to provide benefits for the hospital treatment costs associated with foot surgery performed on admitted patients by accredited podiatrists" and further, "to enable private health insurance funds to provide benefits from their hospital tables for hospital accommodation and nursing costs associated with foot surgery performed in hospitals by registered podiatric surgeons". "The Government's intention of this legislative change was made very clear in the Explanatory Memorandum presented to the Parliament by the Minister for Health and Ageing.

*“The intention is to ensure that an admitted private patient being treated by an accredited podiatrist is able to access benefits, under an applicable benefits arrangement, for the hospital treatment costs as they would if a medical practitioner provided a professional service”.*

(Private Health Insurance Ombudsman 2005 Quarterly Bulletin 35). The Department of Health and Ageing “received a number of enquiries from health funds regarding their obligations under the new legislation. Formal advice issued by the Department to the private health insurance industry in August 2005 confirmed that health funds are required to make available at least one hospital table that provides benefits for all episodes of hospital treatment, including surgery by an accredited podiatrist” (Portfolio Strategies Division 2006). This is supported by the Private Health Insurance Ombudsman report which notes, “The National Health Act [schedule 1 paragraph (bd.)] requires funds to have at least one product providing benefits for all episodes of hospital treatment” (Private Health Insurance Ombudsman 2005 Quarterly Bulletin 35). The membership that we have is for Hospital Cover with Excess Bonus and as a top hospital cover according to legislation should provide us with benefits for podiatric surgery performed in a hospital.

In relation to benefits payable for surgical podiatry.

██████████, my surgeon is a fully Commonwealth Government Accredited surgical podiatrist listed as a Fellow of the Australian College of Podiatric Surgeons, and as such his services are eligible to receive a rebate from a health fund. “In late 2004 the Parliament approved legislation to include ‘podiatric treatment by an accredited podiatrist’ within the definition of *professional attention* in the Health Insurance Act 1973 and provide a mechanism for the Minister to accredit a podiatrist for this purpose” (Private Health Insurance Ombudsman 2005 Quarterly Bulletin 35). “The first of these amendments listed Fellows of the Australasian College of Podiatric Surgeons (ACPS) within the ‘Professional Attention’ classification. This classification places podiatric surgeons in the same provider category as medical practitioners, maxillo/facial surgeons, dentists and midwives in that it allows health funds to pay for hospital costs when a podiatric surgeon admits a patient. The legislation has been structured to facilitate these health insurance reforms by listing Fellows of the ACPS as Accredited Podiatrists. Additional federal recognition was achieved in March this year with the passing of a National Health Amendment (protheses) Bill 2005 which removes any legal barrier to the private health insurance industry providing a rebate for podiatric surgery, theatre fees and prosthetic implants (Australasian Podiatry Council 2005).

- Lack of choice

I previously had this operation in 1999 with a orthopedic surgeon and had to return for more invasive surgery after experiencing multiple complication such as hammer toes, bursitis and arthritis. I have been attending my current surgical podiatrist for some two years and it would seem apparent I would choose my podiatrist who knows my feet and the associated conditions in

preference to an orthopedic surgeon whom I had a questionable result previously and who would not be familiar with my medical conditions. This decision is supported by the Health Legislation Amendment (Podiatric Surgery and Other Matters) Bill 2004, claiming that because “podiatrists’ and podiatric surgeons’ services do not attract Medicare rebates, and are only eligible for private health insurance coverage in some circumstances, much of the foot surgery that could be performed by podiatric surgeons is performed by orthopedic surgeons instead. However, there is evidence to suggest that the treatment outcomes of foot conditions treated by podiatrists and podiatric surgeons are as good, and in many cases better, than when the same conditions are treated by orthopedic surgeons and other registered physicians. Therefore, there seem to be good reasons, from a public health perspective alone, for expanding the availability of podiatric surgeons’ services within the Australian health system. Such an expansion would bring Australia into line with treatment patterns elsewhere: in the USA, for example, podiatrists perform almost two-thirds of all major (orthopedic) foot surgery (compared with only 10 - 15 per cent in Australia). In the UK, podiatric surgeons operate widely within the National Health Service, the UK’s public health system (whereas they tend to operate almost exclusively in the private sector in Australia)” (Department of Health and Ageing 2004). To correct this situation the 2004 Health Amendment Bill, allowed “podiatric surgeons to receive private health insurance benefits notwithstanding their lack of Medicare eligibility”. The Community Affairs Legislation Committee stated they “hoped that individual funds are basing their decisions about whether or not to cover podiatric services on sound clinical and cost grounds. It would be concerned if some funds were deciding not to offer podiatric surgical cover without careful consideration of the relative costs and benefits to their members (Community Affairs Legislation Committee 2005). I am convinced it was not in the best interests of my health to choose a orthopedic surgeon instead of my regular podiatrist who not only has many years of study and surgery post podiatry degree, but also has an intimate knowledge of my personal podiatry needs. Further, I do not understand why [REDACTED] would support a claim for orthopedic surgery at a greater cost. It is for these reasons, I do not believe that [REDACTED] decision to refuse cover for my podiatric services are made with ‘careful consideration of the relative costs and benefits to their members’ or on ‘sound clinical and cost grounds’.

- Transparency

[REDACTED] having decided to underinsure/not insure members in relation to surgical podiatry, raises the concern this exemption is not clearly stated and not transparent. As discussed previously, I was sent an Information Statement in the post stating that surgery by podiatrists was only ‘partly covered’. I have not yet, after much research and numerous conversations with [REDACTED] consultants, uncovered the benefits that are ‘partly covered in relation to the podiatric surgeon’s fee’. The Private Health Insurance Ombudsman (PHIO) writes “if the fund has decided not to pay benefits for podiatric surgery on any hospital products, podiatric surgery should now be listed as an exclusion for that product” (Private Health Insurance Ombudsman 2005 Quarterly Bulletin 35).

- Consultant confusion with policy relating to benefits payable for podiatric surgery

It is of concern the policy relating to benefits payable for podiatric surgery is mis-understood and as a consequence, mis-quoted. This mis-information has an impact on a member's decision, certainly for myself, and therefore the consequences and outcome can be far from satisfying. Albeit I decided to proceed with my surgical podiatrist, the initial information received confirming full benefits would be paid, influenced my decision to proceed. Being informed by a fourth consultant there would be no benefits payable for the anaesthetist or podiatric surgeon no more than five minutes prior to my pre-operation appointment created a large amount of confusion and stress. At this late stage, it was not appropriate or practicable to cancel the podiatric surgeon and organize a consultation with an orthopedic surgeon if that had been the only financial option available to me. I do not believe it to be acceptable for a member to speak to three independent consultants, and be given the same information which is not correct. Further, when the fourth consultant contradicts the previous three consultants on the benefits payable for the anaesthetist and podiatrist, she is in agreement that 100% hospital cover is correct. The first occasion for the hospital benefits to be questioned was not even on my visit to the [REDACTED] branch, but after I had to ring claims to find out where the payment for benefits were. The requirements of "the reforms mean that health funds will be required to provide standard information about each of their products. This will include information on premiums, waiting periods, excesses and exclusions, and hospital and medical gaps" (Portfolio Strategies Division 2006). It has become obvious that surgical podiatry is a 'grey' area but the lack of understanding by consultants, mis-information and ambiguous statements such as 'partly covered' do little to inform members of what benefits are payable, how [REDACTED] as a private health insurer is performing as a competitor for member subscription (getting value for money), and if [REDACTED] are working in the best interests of their members.

#### Written quote

- When a written quote from [REDACTED] was requested, [REDACTED] was not prepared to do so. If podiatric policy is transparent, clearly understood and documented, there should be no reason to refuse a written quote, estimate or confirmation of benefits payable when requested. If this had been done, it would have saved both [REDACTED] and myself much stress, time and effort. To communicate verbally and give vital information without confirmation exposes the member to financial hardship if benefits are not paid in accordance with information received over the telephone. The member has no/little evidence of the information given by [REDACTED]. Although this may be normal practice, this practice is not acceptable when a request for written confirmation is made, or when there is confusion, mis-understanding or an ambiguous clause or policy which 'exposes' a member to unknown expenses.

#### Discrimination/selectivity

- It is with some caution I write you regarding this matter as I have no written 'proof' of this claim. It has been suggested to me by two different sources that due to the ambiguity of policy surrounding surgical podiatry, that the processing of claims may not be consistent. In other words, it has been said it depends on which consultant serves a member, as to whether benefits are paid or not. This practice if indeed it takes place, would discriminate against some members and serve others well. I can understand if an over-ride took place because of mis-

representation, but members would hope that [REDACTED] benefit assessors are informed well and guidelines clear enough for equitable decisions on benefits payable to be made.

#### Customer service

- My final complaint involves customer service or the lack thereof. I have been disappointed with having to make repeated calls to verify information, being given wrong or conflicting information, cheques issued instead of being deposited into bank account as requested, cheque written to the wrong person, lateness of processing, lack of communication (returning calls) and claims not able to be processed at branch level.

“Until recently, virtually all funds paid only minimal benefits for hospital costs associated with podiatric surgery. Recent changes to legislation were aimed at removing any regulatory barriers to paying higher benefits and, as a result, some funds have significantly improved the benefits payable for such treatments” (Private Health Insurance Ombudsman 2005 Quarterly Bulletin 36). An example of compliance with the ‘intent’ of the legislation is Health Partners who have lower fees, and pay higher benefits for surgical podiatry (and in general). These higher benefits include 100% of hospital/theatre costs, \$300 toward prostheses, and \$350 toward the surgical podiatrist, still not excellent but certainly superior in benefits than [REDACTED]. I have been a member with [REDACTED] for over 30 years (details provided on request). My husband and I pay regular fortnightly direct debit contributions. We have been loyal to [REDACTED] paying above average premiums for less benefits in some instances, because we have believed that [REDACTED] was efficient and would serve us well as a health insurance fund if needed. I am writing to afford [REDACTED] the opportunity to respond to this complaint prior to submitting a complaint to the Private Health Insurance Ombudsman. If [REDACTED] is unwilling to mediate, then I will ask for the Ombudsman to do so. “Through the amendments, voluntary mediation is supplemented with a power to compel parties to a dispute to undertake mediation where the Ombudsman deems it appropriate (Portfolio Strategies Division 2006). Further the PHIO has “the authority to report on any evidence of discrimination against accredited podiatric surgeons by private health insurance agencies” (Australasian Podiatry Council 2005).

Looking forward to an amicable and speedy resolution.

Yours Sincerely

[REDACTED]

## REFERENCES

Australasian Podiatry Council (2005) 'Canberra Gives Podiatric Surgery Greater Recognition', Victoria Australia

Department of Health and Ageing 2004 'Health Legislation Amendment (Podiatric Surgery and Other Matters) Bill (2004)', Bills Digest No. 137 2003-04, Parliamentary Library Canberra

Portfolio Strategies Division, Australian Government Department of Health and Ageing (2006) 'Key Strategic Directions for 2005-06: Reforms to Private Health Insurance', Annual Report 2005 - 2006 URL: <http://www.health.gov.au/internet/annrpt/publishing.nsf/Content/strategic-directions-0506-8>

Community Affairs Legislation Committee (2005) 'Provisions of the National Health Amendment (Protheses) Bill 2004'. Australian Government Canberra

Private Health Insurance Ombudsman (2005) 'Quarterly Bulletin 35 (1 April to 30 June 2005)', Australian Government Canberra

Private Health Insurance Ombudsman (2005) 'Quarterly Bulletin 36 (1 July to 30 September 2005)', Australian Government Canberra



**From:** [redacted] [mailto:[redacted]]  
**Sent:** Monday, 30 May 2011 12:12 PM  
**To:** Private Health Insurance Ombudsman: J Robertson  
**Cc:** Peter Debnam; Malcolm Turnbull  
**Subject:** Podiatric Surgery

*Why are certain professions in the community entirely covered and not others?*

*Why is my right to choose denied?*

*Why switch to a fund and tolerate <\$50> and get less?*

*Why, given that we were changing over, would we not have gone with a fund that at least covers hospital costs?*

The details of this complaint are attached as a .pdf and is also included in the body of this email

**The Private Health Insurance Ombudsman**

Suite 2 Level 22

580 George Street

Sydney NSW 2000

**Attention:** Mr J Robertson

**Tel:** 02 8235 8777

**Email:** info@phio.org.au

Dear Mr Robertson

Reference: [REDACTED] Member [REDACTED]

Podiatric Surgery – [REDACTED] 10 May 2011

In 2003 I had surgery on my left foot. At the time I looked into options and as a result of my GP's recommendations, went with an "orthopædic" surgeon.

Post operatively, when querying the outcome and questioning the "orthopædic" method of surgery, I was told the pain and discomfort (even many years after surgery) was "arthritic" and the method used was one which the surgeon had "successfully" employed for over 25 years. In the 9 years since that "orthopædic" surgery, I have experienced great discomfort and intense pain after walking even short distances or time spent upright. I am sufficiently familiar with arthritis to know that the pain *was* **not** arthritic.

In the mean time, I investigated various "orthopædic" surgical methods, visiting specialists and conversing with those with similar conditions and seeking evidence based solutions. Finally I decided that a method of surgery recognized and practiced in the USA and UK, would be my best option.

Prior to going ahead, we checked out our private health insurance fund [REDACTED] (aka [REDACTED] or [REDACTED] or various incarnations of that fund) of which we had been [REDACTED], Top

Cover Members since 1980: [REDACTED]. In the past few years we had found this fund to be severely lacking for our purposes, various hospitals, recommended by our GP and chosen specialist not being "preferred providers", hospital costs were not covered and re-imburement for specialists less. We started doing research into other private health insurance companies and decided on [REDACTED], having made specific and clear enquiries regarding Podiatric surgery.

We were informed, on a number of occasions, checking and re-checking that the hospital charges would be fully covered and were quoted, approximate amounts that would be re-imbursed for the MBS and Ancillary codes required for the surgery.

We ceased being members of [REDACTED] and at an increased cost of <\$50> per month moved over to [REDACTED]

The day before surgery we were told by [REDACTED] that hospital costs would not be covered by [REDACTED]. Again [REDACTED] was contacted and we were assured at least twice, that hospital costs were covered. Those enquiries will be on our record at [REDACTED] (Member [REDACTED]). On admittance we were required to pay \$2772.00 and are now "in dispute" with [REDACTED].

While in post operative care, I spoke to a patient who had undergone the same procedure with the same surgeon who was fully covered . Which health fund? — [REDACTED]. I have since learned that the [REDACTED] fully covers members in its health fund; [REDACTED] covers hospital costs, as does [REDACTED] and [REDACTED].

*Why are certain professions in the community covered and not others?*

*"... to choose the doctor that treats you, the hospital you are treated in and a time for treatment that suits you."* reads the iSelect www site relating to the benefits of Private Health Insurance and words "right to choose" used in the live TV advertising.

***Why is my right to choose denied?***

[REDACTED] reads the marketing hype on a google search.

[REDACTED] (*for a few extra dollars on general medical etc?*)

***Why, given that we were changing over, would we not have gone with a fund that at least covers hospital costs?***

Yours faithfully

[REDACTED]

From: [REDACTED] <[REDACTED]>

Date: 3 September 2012 12:26

Subject: Re: foot surgery quote

To: [REDACTED]

Hi [REDACTED],

Thankyou very much for the time and effort involved in creating my quotation and also your letter to my doctor.

I have consulted with two orthopaedic surgeons and have selected [REDACTED]. My decision was heavily influenced by the fact that [REDACTED], (private medical cover) will not cover any cost of fees relating to podiatry surgery and therefore no costs can be recovered from Medicare. We knew this was going to be a consideration from the onset.

Thank you again for your caring and professionalism.

Best regards

[REDACTED]

From: [REDACTED] <[REDACTED]>

Date: Thu, May 13, 2010 at 6:59 AM

Subject: [REDACTED]

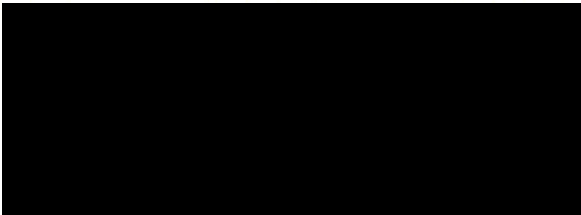
To: [REDACTED]

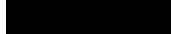
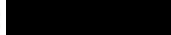
Good morning [REDACTED]

I have been to my health fund to no avail, they won't pay . They said if Medicare pays they will pay .  
However since seeing I have also been to see my back Dr who is saying i need back surgery, fusion of  
L4/L5 which needs to be sooner than later and that i have to lose 30kilos. So I am in a dilemma do I do  
my foot first of wait til I have fixed my back . I will make an appointment to see you for further  
discussion .

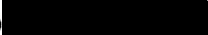



Cheers [REDACTED]


8 March 2012





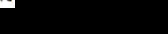

Membership:   
Our Reference: 

Dear 

Thank you for your recent correspondence addressed to  Director Customer Service , which I have received for response on  behalf. Please be assured that your concerns have been brought to  attention and that he has also been made aware of this response.


After reading your letter I understand that you are seeking confirmation of benefits towards Podiatric Surgery. I trust this will clarify  position for you.

I can confirm that the fund pays a default (or minimum) benefit towards the hospital accommodation only, when associated with podiatric surgery performed by an accredited podiatric surgeon.

Please be advised that  is registered with  as an Accredited Podiatric Surgeon. Under your  Cover (podiatry) you may be entitled to a limited benefit towards  services.

It is important to note that the fund does not pay any benefits towards any associated anaesthetic services, theatre fees or any medical fees for this procedure. This is on the basis that podiatric surgery performed by a podiatric surgeon does not currently attract benefits from Medicare.

At this time, the fund has made a business decision that we will contribute the minimum benefits only as set-out by the Government towards surgical podiatry performed in a private hospital. This decision is based on the fact that podiatrists are currently not recognised by Medicare for in-hospital treatment.

Thank you for the opportunity to provide this information. If we can offer any further assistance in this matter please do not hesitate to contact our Health Customer Service on 

Yours sincerely

