

## STATEMENT

### ACCC Report confirms insurers shouldn't play doctor

**\*\*\*Please attribute to Medical Technology Association of Australia CEO Ian Burgess**

Today's ACCC report into private health insurers paints a disturbing picture of deceptive behaviour and declining affordability and value driving the industry's current 'death spiral'.

It also casts a shadow over today's calls by the nation's largest health insurers to remove current rules protecting patient access to the best and latest medical technology.

The ACCC report cites multiple examples where the big corporate insurers have tried to deny their customers access to essential medical treatments, while at the same raising patient premiums and out of pockets.

Thanks to the ACCC report, this alleged tendering 'policy reform' from private health insurers has therefore been today exposed as nothing but a front to put profits before patients.

The ACCC report is also further proof as to why it is not just unethical, but medically unsafe, for private health insurers to be given more power than doctors when it comes to making decisions in the best interest of patients.

The likes of Medibank, Bupa, NIB and HCF have already undermined consumer confidence in their own products through their "smash and grab" approach to keeping their businesses afloat.

The Federal Government cannot afford for private health insurers to also now undermine patient confidence in their doctors.

This will not only spell an end to private health insurance as we know it, but irreparable damage Australia's health system as a whole.

#### **Key quotes from the ACCC report**

"The costs of private health insurance continued to be of concern to consumers." (p1)

"In 2018 –19, private health insurance participation rates continued to decline, while average gap payments for in-hospital and extras treatment increased." (p1)

"Cumulative premium increases have been higher than inflation and wage growth in the past five years, indicating that households with private health insurance are contributing an increasing proportion of their incomes to paying premiums. (p1)

"When gap payments have been incurred by consumers for hospital treatment, these increased on average by 1.9 per cent, with an increase of almost 4 per cent for extras treatment. (p5)

"The ACCC instituted proceedings in the Federal Court on 2 September 2019 against Medibank Private Limited trading as 'ahm' (Medibank), alleging that Medibank falsely represented to members holding ahm "lite" or "boost" policies, who were making claims or enquiries, that they were not entitled to cover for joint investigations or reconstruction procedures, when in fact their policies covered these procedures. (p21)

"The ACCC instituted proceedings in the Federal Court in May 2017 against NIB alleging it contravened the ACL by engaging in misleading or deceptive conduct, unconscionable conduct and making false or misleading representations. The proceedings arise from NIB's alleged failure to notify members in advance of its decision to remove certain eye procedures from its 'MediGap Scheme' in 2015. Under the MediGap Scheme, members had previously been able to obtain these eye procedures without facing out-of-pocket costs when doctors participated in the scheme." (p22)

"As noted in the ACCC's 2017-18 Private health insurance report to the Australian Senate, the PHIO released a report into hospital policy changes announced by Bupa in February 2018, in which benefits would no longer be paid for a range of services previously covered under its basic and mid-level hospital policies. (p23)

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