2 August 2024

Consultation on private health insurance chronic disease management programs
Department of Health and Aged Care
E: PHIconsultation@health.gov.au

To whom it may concern,

RE: Consultation on private health insurance chronic disease management programs

The Australian Healthcare and Hospitals Association (AHHA) welcomes the opportunity to contribute to the Department of Health and Aged Care's consultation on expanding the list of health professionals for which insurer benefits under chronic disease management programs (CDMPs) would become eligible for risk equalisation across health insurers.

For more than 70 years, AHHA has been the national voice for public health care, maintaining its vision for an effective, innovative, and sustainable health system where all Australians have equitable access to health care of the highest standard when and where they need it. It is a voice that respects and brings together the evidence, expertise, and views of each component of the system, recognising that siloed views will not achieve the outcomes-focused, value-based health care system Australians deserve.

AHHA conditionally supports expanding the list of health professionals eligible for benefits under CDMPs, provided it does not compromise timely access to high-quality, multidisciplinary care under CDMPs for patients who do not have private health insurance.

Maintain equity and universality

AHHA recognises the value private health insurance (PHI) can provide in reducing the demand placed on public health services and providing greater consumer choice. As the disease profile of Australians has transitioned from acute, episodic experiences of care to long-term, chronic management of conditions, the role of PHIs in alleviating the pressure on tertiary health systems through community and out-of-hospital service provision has grown significantly. Initiatives that promote prevention and early intervention and improve the coordination of care should be encouraged.

However, any proposed changes to private health insurance rules and regulations should be assessed against a set of guiding principles, including whether the proposed changes maintain and improve health outcomes, and support equity, accessibility and sustainability of the broader Australian health system to the benefit of the whole community[1]. Expanding the list of health professionals eligible for benefits under CDMPs to include practice nurses, nurse practitioners and mental health nurses, would ensure that private patients have access to the same comprehensive care by multidisciplinary teams as Medicare patients for the management of complex and chronic disease in primary care. In this respect we support the proposal.

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There is concern that an increased presence of PHIs in primary care spaces will be to the detriment of the foundational principles of equity and universality upon which Medicare, as a public healthcare system, was established.

While AHHA supports the exploration of PHI in community, outpatient or home settings, we are concerned about iterative 'creep' into primary healthcare. Fundamentally, all Australians should have timely access to high-quality healthcare services regardless of their ability to pay[2]. In expanding the list of health professionals eligible for PHI benefits under CDMPs to include Nurse practitioners, Practice nurses, and Mental health nurses, there is concern that a 'two-tiered system' in access to services may develop[3]. This pertains to both faster access to services (or 'jumping the queue') by PHI consumers and access to particular CDMP services otherwise unavailable to public consumers.

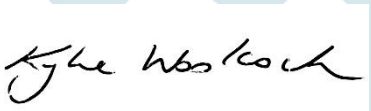
It is critical that any increased role for PHIs in primary care neither reduces access nor increases costs for non-insured consumers; the value of universality of primary healthcare must not be compromised. This is particularly important to consider in relation to priority populations, including Aboriginal and Torres Strait Islander peoples and rural and remote populations.

AHHA recommends that the Commonwealth Government clearly define its expectations for the role of PHIs in primary care before introducing reforms, such as this one, to ensure that concerns about a two-tiered health system are not realised. However, if this proposal is adopted, the Department must ensure there are measures that ensure Medicare patients are not negatively impacted by the prioritisation of PHI consumers. If more services become eligible for the risk equalisation pool, there must be measures to ensure there is not reduced incentive for individual PHIs to operate efficiently. There must also be consideration of potential impacts on policy premiums which could disproportionately impact younger Australians.

Without wider intervention in strengthening primary care sustainability and capacity through reforms to Medicare, current trends in health system fragmentation, decreasing accessibility and widening inequity that this proposal seeks to address will only continue. Ensuring high-quality and timely access to care requires building on existing Medicare policies and programs, rather than making wholesale changes to a system that is built on solid principles[4].

We would be happy to discuss any aspect of this response further.

Yours sincerely,



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[1] Australian Healthcare and Hospitals Association (2017) AHHA Submission to the Australian Government public consultation on funding for private patients in public hospitals options paper. Available at: https://ahha.asn.au/resource/ahha-submission-to-the-australian-government-public-consultation-on-funding-for-private-patients-in-public-hospitals-options-paper/

[2] Australian Healthcare and Hospitals Association (2024). Universal Healthcare Position Statement. Available at: https://ahha.asn.au/resource/universal-healthcare/

[3] Senate Community Affairs Reference Committee (2017). Inquiry into Value and affordability of private health insurance and out-of-pocket medical costs. Available at: https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Privatehealthinsurance/Report

[4] Australian Healthcare and Hospitals Association (2024). Universal Healthcare Position Statement. Available at: https://ahha.asn.au/resource/universal-healthcare/

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