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**Transcript:** AMA President, Dr Omar Khorshid, on Sunrise, with Natalie Barr on Tuesday, 7 December 2021

**Subject:** Big differences in rebates paid by insurers for the same medical procedure, AMA Private Health Insurance Report Card finds.

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**NATALIE BARR:** Well, private health patients are paying hundreds of dollars' difference for the exact same procedures by the same doctors, depending on their choice of insurer. A new report by the Australian Medical Association has revealed a price difference of up to 46 per cent for some surgeries, with out-of-pocket expenses varying up to \$800 for coronary bypasses, and more than \$500 for both knee replacements and also child birth.

Joining us now is AMA President, Dr Omar Khorshid. Morning to you. Why on earth is there so much difference between insurers?

**OMAR KHORSHID:** Good morning, Nat. Well, that's a really good question. This year's report card has some good news and bad news. The good news is that most services are very well covered by insurers, meaning that it's still a great decision to go out to get yourself private health insurance. Also good news that more Australians since COVID are taking up that choice. But unfortunately, yet again, our report card shows that, depending on which insurer you choose, your experience is going to be quite different and the chance that you'll be facing significant gaps clearly depends on your choice of insurer.

So a very clear message to Australians is to shop around and remember, it's not just what you're paying as a premium, but what you get back when it comes to claim time that should help guide you as to which insurer to go with.

**NATALIE BARR:** Some of the differences include location. How do they differ between states, the charges?

**OMAR KHORSHID:** Well, there's a couple of differences there. Traditionally, some funds have actually paid different amounts out depending on where you live. A big example there in the past being Bupa, but this year Bupa have actually changed their situation so that all states get the same rebate - so that is a step in the right direction. But there's still a big variation in terms of the chances of you getting a no gap experience, depending on which state you live in, with ACT having the worst experience there. And you've got the best chance of being fully covered if you live in South Australia or WA, but again, it depends on which fund you are with as to what your experience will be.

**NATALIE BARR:** Yeah. I couldn't believe you get charged differently by the same doctor. You get a different rebate even if the same doctor gives you that procedure. What do we do about this? You are calling for some sort of independent authority?

**OMAR KHORSHID:** Yeah. Look, there's a lot of the impact of Australians' health riding on the success of private health insurance; whether it is affordable to people and whether people continue to take it up. There's storm clouds on the horizon with most of the increase in people

taking up insurance being the elderly who tend to claim a lot, meaning our insurance product is getting harder and harder to work.

Now, the insurers are responding by doing all sorts of tricky things in order to keep their costs down, and those are having negative impacts on patients. So, what we would like to see is an independent authority that actually takes some of the complexities around health insurance, helps simplify them; helps us deliver reform in this area to make sure that our health insurance system continues to do what it is doing now, which is providing affordable medical care, in particular elective surgery, to Australians who chose to take it out. And it helps keep our public hospital system available for those who really need it.

NATALIE BARR: Yeah. That's a good idea, because they say: shop around, but it's still very hard to decipher when you are shopping around. Thank you very much.

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