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Reform of private health sector and new independent authority proposed by AMA

Reform of the private health sector and a new independent body are required to ensure the private health sector is sustainable and patients can access care they need, the AMA has argued in a discussion paper released today.

The discussion paper has been released ahead of an AMA Private Health Insurance Summit at Parliament House in Canberra today attended by insurers, hospitals, government representatives, peak bodies from the medical and insurance sector and consumer representatives.

[A whole of system approach to reforming private healthcare](#) proposes a new body — the Private Health System Authority — to bring the sector together and build consensus on reforms.

AMA President, Dr Omar Khorshid, said the private health system is an essential pillar of the health system, providing almost 60 per cent of elective surgery admissions.

“The system is critical to charting a course out of the COVID-19 pandemic and tackling the growing waiting lists for elective, but essential, surgery,” Dr Khorshid said.

“Without immediate intervention reform will continue to be piecemeal and limited at best, with the real risk of ongoing conflict in the sector, all of which does nothing to instil confidence in policy holders and patients.

“The private health system prior to COVID saw falling membership and the AMA is concerned memberships will start declining again. There are increasing numbers of older, sicker members, fewer young policyholders and premium rises that are pricing families and young Australians out of the market,” Dr Khorshid said.

“A new Private Health System Authority would help ensure a cohesive regulatory model by relieving the Department of Health of its conflicted role as a regulator and policy maker and it would incorporate new functions to fill gaps in the current regulatory environment.

“Under current arrangements no one has looked at the bigger regulatory picture to gauge the impact of ad hoc changes or balance the interests and needs of patients, day hospitals, private hospitals, private health insurers, medical device manufacturers and doctors.

“We have all said we are not trying to benefit at the expense of others, and all we want is patient-centric, clinician-led care that is safe, high-quality, and delivers value for the patient. We all agree on this, so now is the time to act.

“The authority would create a platform for everyone in the sector to move away from combative debates and work together under better regulation to deliver better outcomes for all. The AMA stands ready to support the sector to safeguard this essential pillar in our healthcare system,” Dr Khorshid said.

Submissions on the discussion paper can be made until 31 August 2022.

[Read the discussion paper](#)

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