

# MEDIA RELEASE

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## Give patients choice for out-of-hospital care

The Australian Medical Association is calling for reforms to encourage greater uptake of out-of-hospital care in the private sector, with a focus on patient choice and clinical autonomy.

AMA President Dr Danielle McMullen said the lack of rules on the provision of private out-of-hospital care in Australia limited patient access to innovative models of care, like home rehab or hospital-in-the-home, while allowing private health insurers to design their own models on their own terms to cut costs and limit patient choice.

“Due to a lack of policy and legislation, private health insurers currently control virtually every aspect of private out-of-hospital care — including what services are available to patients and what they can charge — through vertical integration,” Dr McMullen said.

“These services are only available to certain patients depending on insurer and location, unlike in-hospital care where insurers are required to cover a certain portion of your treatment costs.”

The AMA’s proposal for a legislated framework has been outlined in a new [position statement on principles for private health insurance to cover out-of-hospital care](#).

“We appreciate private health insurers’ enthusiasm for out-of-hospital care, but without guardrails and a clear funding requirement in place, it could descend into a US-style system of managed care for these new services, which jeopardises the principles of patient choice and clinical autonomy,” Dr McMullen said.

There are many procedures where clinically suitable patients should be able to access out-of-hospital care, such as rehabilitation following hip and knee replacements.

[An AMA report](#) found providing more out-of-hospital care can save the health system tens of millions of dollars and relieve significant pressure on public hospitals by freeing up tens of thousands of beds.

“Out-of-hospital care is a crucial piece of the puzzle when it comes to reforming Australia’s health system, and we are glad private health insurers seem to agree,” Dr McMullen said.

“All we are asking for is the same patient-focused principles we have for in-hospital private care — your choice of doctor, your choice of hospital, regardless of your insurer. We need to continue driving competition and promoting choice, the hallmark of the private health system.

“We envision a private health system where all patients with private health insurance cover, no matter where they live, can choose the best care option for them under the clinical guidance of their medical practitioner, funded by their insurer.

“Current insurer-led models of out-of-hospital care are not available to all privately insured patients. We are calling for legislation that prevents insurers from developing their own models that only serve their financial interests.”

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Dr McMullen said an independent private health system authority would be best placed to design and implement regulation for out-of-hospital care in Australia.

[Read the position statement](#)

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