

Australian Medical Association Limited

ABN 37 008 426 793

42 Macquarie Street, Barton ACT 2600: PO Box 6090, Kingston ACT 2604
 Telephone: (02) 6270 5400 Facsimile (02) 6270 5499
 Website: <http://www.ama.com.au/>



Transcript: AMA Vice President Dr Stephen Parnis, Morning Show ABC Darwin, 3 March 2016

Subject: The rising cost of private health insurance premiums

ADAM STEER: Dr Stephen Parnis is the AMA Federal Vice President, Dr good morning.

STEPHEN PARNIS: Good morning Adam.

ADAM STEER: What's the evidence from within hospitals about which procedures that private health do and don't cover? Is that changing?

STEPHEN PARNIS: I think it is changing. I have to say that doctors across a number of specialities find that more and more of their patients are finding out, often at the last minute, that they're no longer covered for the conditions that they present with. Things like arthritis of the hip that needs a joint replacement. I work in emergency in both the private and public systems and you know it happens a few times each week that someone comes in with an emergency problem, and then they are genuinely surprised and distressed to find that what they came in with, whether it's something like a heart attack or trauma requiring surgery, is no longer covered. And that's a very difficult situation for the patient and the doctor.

ADAM STEER: That sounds ridiculous. If you've been paying a premium for a long time, say two decades, and then when you need hospital cover, like when you have a heart attack, and you find yourself that you're not covered at all.

STEPHEN PARNIS: I couldn't agree more, and this is what insurance is about isn't it? It's for that rainy day, that time when you need to have your care and you need hospital care. And let's be blunt the most important part of private health insurance is to enable people to be treated in the private hospital system when those issues inevitably arise.

ADAM STEER: Are you concerned about value for money?

STEPHEN PARNIS: Very much so, and I think that this is the bottom line here. We would like to see the system improved by the Government so that the private health products are more value for money. And there is a few things that can be done, I mean it's- it is the most complex insurance system that there is, bar none. That can be simplified. There are a lot of these unnecessary covers, things like iridology or homeopathy, things that people don't need as part of their insurance that are covered as well. And we can encourage younger, healthier people to be a part of that system at an earlier stage in life, which will keep downward pressure on premiums.

ADAM STEER: How did... talk me through how much out of pocket expense someone who finds themselves arriving at hospital with a heart attack, or a suspected heart attack, and then they find that they're not covered by their health insurance, how much could they be out of pocket?

STEPHEN PARNIS: I would have to say that most of the time it's unaffordable for people. You are often talking many thousands of dollars, often it will extend for complex procedures. If you- let's say we're talking a heart attack, someone needs an angiogram, they need stents put

in, or even bypass surgery, and a number of days in a highly technological heart coronary care unit, these things can well extend into tens of thousands. We're nowhere near what the Americans have to fork out, but it often means that these people need to depend on the public system if they're not covered by their insurer.

ADAM STEER: Yeah exactly, and what's the result of that? More pressure on the public system?

STEPHEN PARNIS: It is. We have a finely balanced system in Australia where the public and the private really depend on each other for different things, and if we have a mass exodus from the private insurance system that will put pressure on the public system, and I have to say the public system across the country is under unprecedented pressure and struggling as it is.

ADAM STEER: Dr Stephen Parnis thanks for your time today.

STEPHEN PARNIS: My pleasure.

ADAM STEER: There's Dr Stephen Parnis, the Federal Vice President of the Australian Medical Association.

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CONTACT: John Flannery 02 6270 5477 / 0419 494 761
 Kirsty Waterford 02 6270 5464 / 0427 209 753

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