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Transcript: AMA President, Dr Michael Gannon, 2UE, *On the Money with Peter Switzer*,
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Subject: Private health insurance.

PETER SWITZER: Switz is here as always with the aim to make you wealthy. A lot of people are just haemorrhaging cash, though, with expensive private health insurance. The question we always ask: is it worth it? Let's get to the President of the AMA, who joins us now. Nice to welcome Dr Michael Gannon to the show. Hello, doc.

MICHAEL GANNON: Good afternoon. How are you?

PETER SWITZER: Great, Michael. Thanks for joining us. We are short of time, but it's a really important subject. I might twist your arm to come back and we'll give you more time, but you've basically said a lot of these policies aren't worth the paper they're written on. Why do you say that?

MICHAEL GANNON: Well, simply, we understand the decisions that people are making when thousands of them decide each month they can't do that.

We're very proud of the public hospital system we have in Australia, and a lot of people look at their health, they think that they don't use their health insurance too often, and will make a decision to rely on the public system.

Now, for the population as a whole, that's a very dangerous choice, but we understand why individuals are making that choice.

PETER SWITZER: But I'm taking the interpretation that you think that the health insurance policies we're taking aren't worth the paper they're written on.

MICHAEL GANNON: Look, I would encourage the roughly half of Australians that hold a private health insurance policy to start asking questions about whether or not it's fit for purpose.

If it does nothing more than give you treatment in a public hospital, how is that better than relying on the public system?

If it does nothing more than give you a whole list of exclusions where you can't access care when you're sick, when you're scared, that's not worth it.

So, what we're saying is there needs to be more focus on the value in the policies. We're worried about the changes in the industry, we're worried about the junk policies throughout there.

PETER SWITZER: So who is responsible then for making sure that these health insurance policies we take out actually do deliver on their promise?

MICHAEL GANNON: Well, we do have a Private Health Insurance Ombudsman, and when you look at the complaints there, you get a real feel for the problem. We see a lot of talk in the media about out-of-pocket expenses being the real problem with the value proposition. If you look at the Ombudsman's report, that's not the problem.

Nearly 90 per cent of operations are provided by doctors at no-gap; another five or six per cent at known gap of less than \$500.

We don't think we're the problem, but when we see unilateral action like we've seen in the last week from big insurers like Bupa to say what they won't be covering, we encourage individual policyholders to ring up, ask, and make sure they're covered if and when they get sick.

PETER SWITZER: Michael, thanks for joining us. I wish I had more time, and I might twist your arm to come back on and we can look at this in more detail.

MICHAEL GANNON: Okay, pleasure.

PETER SWITZER: Thanks mate.

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