

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/>



**BUPA TO DO THE RIGHT THING BY POLICY HOLDERS
 FOLLOWING OMBUDSMAN INTERVENTION**

AMA President, Dr Tony Bartone, said today that, following the intervention of the Private Health Insurance Ombudsman (PHIO), Australia’s largest private health fund, BUPA, will restore benefits to its policy holders.

In response to the PHIO intervention, BUPA will restore future access to ‘no gap’ schedules for private patients in public hospital emergency departments.

Dr Bartone said that both the PHIO announcement and the BUPA response are welcome and very important at a time of significant reform in the private health sector.

“The Ombudsman has acted strongly to ensure that there is improved communication and behaviour by health funds,” Dr Bartone said.

“It sends a strong signal to all insurers to be open and honest with their customers.

“It is vital that credibility is restored to the value of private health insurance. If there is no value, people will not buy the product, and that will put pressure back on the public system.

“Visiting an emergency department is a very stressful time. People shouldn’t have to be worried about whether their public hospital has a contract with a specific insurer when they turn up for care.

“BUPA has made the right call by attempting to restore transparency to their cover.

“We also welcome their re-commitment to maintain both ‘no gap’ and ‘known gap’ schedules for pre-booked elective surgeries in public hospitals – again without requiring a contract.

“Public hospitals are often the only place people can have their surgery, either because they are in a regional area, because it has the facilities and support they need, or because their choice of surgeon works in a public hospital.

“This access to public hospitals is an important part of the ‘value’ of private health insurance.

“The AMA also notes that BUPA will be required to further communicate to their customers the changes to their policies before bringing in the change.

“The AMA is a strong advocate for private health policy holders to have a clear understanding of exactly what their policy covers them for.

“Insurance is overly complicated. Without clear and meaningful coverage levels, patients will continue to question their insurance.

“We remain critical that BUPA policy holders will not be able to use their ‘no gap’ or ‘known gap’ cover in non-contracted facilities.

“This remains a major concern for the AMA as it means that patients will still be required to ascertain whether their surgeon and their hospital have a contract with BUPA.

“It’s something the AMA has spoken strongly against, and will continue to do so, as it potentially exposes patients to further gaps.

“We will work constructively with BUPA to hopefully reach a more favourable resolution to this outstanding issue.

“In the meantime, we will help with the implementation of today’s policy changes, which are a win for people who have private health insurance – and a much-needed tick for the reputation of the private health insurance industry.”

7 June 2018

CONTACT: John Flannery 02 6270 5477 / 0419 494 761
 Maria Hawthorne 02 6270 5478 / 0427 209 753

Follow the AMA Media on Twitter: http://twitter.com/ama_media

Follow the AMA President on Twitter: <http://twitter.com/amapresident>

Follow *Australian Medicine* on Twitter: <https://twitter.com/amaausmed>

Like the AMA on Facebook <https://www.facebook.com/AustralianMedicalAssociation>