

**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 President, Dr Tony Bartone, 3AW, *Breakfast with Ross Stevenson and John Burns*, Thursday, 11 October 2018

**Subject:** Private Health Insurance changes.

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**ROSS STEVENSON:** Tony Bartone, President of the Federal Australian Medical Association. Doctor, good morning to you.

**TONY BARTONE:** Good morning, Ross.

**ROSS STEVENSON:** Right-o, there's going to be changes to private health insurance policies. We don't understand the article and we're relying on you. We're going to keep it snappy. What's happening?

**TONY BARTONE:** Simply put there used to be- or there still are about 70,000 policies- various policies out there causing an increase in confusion, lack of clarity, lack of transparency. Patients didn't know what they were covered for, and when they were covered, and the different rules and the restrictions and carve outs that were in that. And at the same time, prices were going up on the insurance premiums year-on-year significantly, causing a lot of people to drop out.

**ROSS STEVENSON:** So, what's happening?

**TONY BARTONE:** So, essentially, they're now moving to a tier system; basic, bronze, silver, gold. And the previous 70,000 policies are going to be roughly mapped into those four categories. And, of course, when you try and squeeze 70,000 into four, some become into a higher category, some go into a lower category. The idea is that you're trying to make it more clear about what is covered in every category.

**ROSS STEVENSON:** Okay. So, I got you. I've had the same private health insurance policy for donkey's years. Is Medibank going to write to me and tell me whether I'm gold, silver, bronze, or basic?

**TONY BARTONE:** They'll have to. Absolutely.

**ROSS STEVENSON:** Right. The law requires them to do that?

**TONY BARTONE:** Yeah. So, you need to know what you're covered for, and what's included and what's not. And it should be simpler going forward to follow exactly what you are covered for. And you've probably been covered for things you weren't aware you were covered for. It's really complex, even with a degree, a double degree in statistics, you'd probably find that you were still confused about what you were really being covered for.

**ROSS STEVENSON:** Is the Government going to tell my private health insurer to change my policy?

**TONY BARTONE:** The Government has told the private health insurers that these are the categories, these are things that have got to be included in those categories, and therefore write

your premium according to that category, and this is what you're going to be covered for going forward.

**ROSS STEVENSON:** Right. So, is every private health insurer going to have the same offering; gold, silver, bronze or basic?

**TONY BARTONE:** Basically. Absolutely.

**ROSS STEVENSON:** So, the only differential will be price?

**TONY BARTONE:** Absolutely. And you'll know what you're covered for in each of those policies.

**ROSS STEVENSON:** Okay. So, this covers existing policies plus new policies, it will either just fall into four categories and you'll know exactly what you're covered for?

**TONY BARTONE:** Absolutely.

**ROSS STEVENSON:** Righto. And if you...

**TONY BARTONE:** So, that's the theory at the moment...

**ROSS STEVENSON:** When's it going to happen?

**TONY BARTONE:** Well, supposedly by 1 April, but there's a lot of work to be still done in that process. So, everything needs to be clarified at the least, and there's what we call a mapping exercise, so the 5000-odd Medicare item numbers that form the basis of all those different procedures have got to be allocated into those various...

**ROSS STEVENSON:** What if they say for the same price we've assessed that you're a silver and you're covered for this. And you go, hang on, I used to be covered for all this extra stuff as well, I'm gold, I'm not silver. Have I got an umpire I can appeal to?

**TONY BARTONE:** There will be a process in that to have that clarification, an Ombudsman so to speak. But this is all part of the information that's going to be released in the public domain to allow everyone to make the decision that they're going to have to make whether they pay the extra, if they've been allocated a higher policy, or if they're going to be saving money because they now find that they've been covered in a lower cheaper category.

**ROSS STEVENSON:** Right-o, 1 April next year. Good on you, Doctor. Dr Tony Bartone from the AMA.

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CONTACT: John Flannery 02 6270 5477 / 0419 494 761