



10 March 2022
Health And Environment Committee
Queensland Parliament

Dear Honorable Members of the Committee,

The Australian Society of Anaesthetists (ASA) is concerned by the current movement of private health insurers to alter the methods of funding which result in a level of control by the funds which is akin to “Managed Care” systems in the United States of America. I understand this matter is being considered in your current enquiry and I apologize for the late submission.

The ASA believes in the importance of the doctor-patient relationship and believes it should be at the core of all funding models. The Australian system relies on both for-profit and not-for-profit funds and “gaps” in what the funds reimburse have resulted from poor indexation of fund payments over a number of years. The funds are using the elimination of gaps as a pretense for removing the independence of the decision-making process from the patient which reduces the ability of the patient to choose their own treatment and doctor.

The current examples include the private health insurer NIB, together with the US corporation Honeysuckle Health, has formed a buying group to collectively negotiate with health care providers (hospitals and practitioners) on behalf of insurers. Another is St Vincent's Private Hospital Northside, which in conjunction with BUPA has organized a “no gap” model for hip and knee replacement surgery, and presented Anaesthetists with a payment model with minimal notice and no negotiation. Westside Private in Taringa, part of the Montserrat group, has a comparable arrangement with Medibank Private.

Our concerns with these models are:

- Erosion of patient autonomy
- Patients with complex medical conditions may be refused from these models and hospitals
- Complications may be referred onto hospitals not using a bundled funding system
- Loss of the primacy of the Doctor-Patient relationship with a power imbalance shifting towards the insurers.
- Potential for those not covered by these models placing increased pressure on the public system.

The ASA remains committed to any required consultation on this matter. If you require any further information or would like to discuss further, please do not hesitate to contact Mr. Jason Alam, Policy Manager on [REDACTED] or via email at [REDACTED]

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'James Hosking', with a stylized flourish at the end.

Dr. James Hosking
Chair, Queensland Committee of Management
Australian Society of Anaesthetists