

**Summary of the fourth meeting of the Private Health Ministerial Advisory Committee,
1 February 2017, Department of Health offices (Scarborough House), Canberra**

Attendees

<i>Members</i>	<i>Proxies and Secretariat</i>
Dr Jeffrey Harmer AO, Chair	Jo Root, Consumers Health Forum (proxy)
Marcus Dripps, Allied Health Professions Australia	Luke Toy, Australian Medical Association (proxy)
Anne Trimmer, Australian Medical Association (Item 1-5)	Charles Maskell-Knight, Secretariat
Michael Roff, Australian Private Hospitals Association	Susan Azmi, Secretariat
Philip Truskett AM, Royal Australasian College of Surgeons	Tracey Duffy, Department of Health, Observer (Item 2)
Toby Hall, Catholic Health Australia	Lindsay Barton, Department of Health (Item 4)
Jane Griffiths, Day Hospitals Australia	Josh Shanahan, Secretariat (Item 2)
Matthew Koce, hirmaa	Mitch Docking, Secretariat (Item 2)
Dr Rachel David, Private Healthcare Australia	Carla Roots, Secretariat (Item 3 and 5)
Ian Yates, COTA	Anna Smith, Secretariat (Item 4, 6 and 7)
Garry Richardson, Expert member	Peta McElgunn, Secretariat (Item 6)
Mark Cormack, ex-officio	Vanessa Sheehan, Secretariat (Item 7, 8 and 9)
	Alex Caroly, Minister Hunt's office

Apologies

Tony Lawson, Consumers Health Forum

Andrea Kunca, Medical Technology Association of Australia

1. Welcome, apologies and introductions

- The Chair noted apologies for this meeting.

2. Product Design

- The Committee discussed the possible application of Gold/Silver/Bronze categorisation arrangements to general treatment (extras) cover. Noting the objective of delivering product simplification for consumers, the Committee agreed that if Gold/Silver/Bronze categories were to be applied to hospital products it would be sensible to apply the same labelling to general treatment products.
- The Committee considered the Private Health Insurance Ombudsman's existing product categories for general treatment (Comprehensive, Medium and Basic) and discussed the appropriateness of using these arrangements, or a modified version of these arrangements, as part of a Gold/Silver/Bronze approach.
- The Committee noted the existence of 'ambulance only' cover and agreed that this cover should continue to be available separately from other general treatment products.
- The Committee considered the issue of private health insurance coverage of natural therapies, including the findings of the review undertaken by the former Commonwealth Chief Medical Officer. Members had differing views on whether it was appropriate for private health insurance to provide coverage for these services.
- The Committee noted an update from the Secretariat on the progress of actuarial modelling being undertaken on approaches for categorising hospital products into Gold/Silver/Bronze categories.

3. Clinical Definitions

- The Committee considered an issues paper on clinical definitions prepared by the Secretariat. The paper provided background information and details on current practices in the private health insurance industry. The Committee agreed that standard clinical definitions need to be developed to allow consumers to compare policies more easily and understand their own product.

- The Committee noted that the development of standard clinical definitions will help support the new Gold/Silver/Bronze system for categorising private health insurance products. This work is also closely related to the Committee’s work on information provision.
- The Committee noted that membership of the Clinical Definitions Working Group is being finalised and the first meeting is scheduled for 22 March 2017. Dr Andrew Singer, Principal Medical Adviser, Health Services Division, Department of Health, will Chair the Working Group.

4. Transfer Certificate Reform Process

- The Committee noted that the current transfer process between insurers is inefficient and inconveniences consumers. The Committee considered reform options that have been developed by a Working Group consisting of insurers, Private Healthcare Australia, Health Direct Australia and the Department of Health.
- The Committee supported the Working Group’s preferred option and proposed implementation timeframes.

5. Information Provision for Consumers

- The Committee agreed the Terms of Reference for the Information Provision Working Group.
- The Committee noted that membership of the Information Provision Working Group is being finalised and the first meeting is scheduled for 28 February 2017. The Working Group will be chaired by Susan Parker, Senior Adviser, Communication Branch, Department of Health.

6. Improved Value for Rural Consumers

- The Chair and members who attended the “Improving the Value of Private Health for Rural and Remote Consumers workshop” provided feedback on the day.
- The Committee noted the summary of the workshop and discussed options raised, including options to improve product design, options to directly address affordability and options to improve access to health care services.
- The Committee agreed that a group of hospital and insurer representatives would meet informally to examine practical options that could be implemented at the contracting level within existing regulation.

7. Out-of-Pocket Costs

- The Committee considered more detailed options in relation to the provision of information to consumers and GPs.
- The Committee agreed that the timing of information provided to consumers about potential out-of-pocket costs was an important factor.
- The Committee also agreed on the importance of ensuring consumers are fully informed and empowered to make choices, and acknowledged the role industry, supported by government as the system steward, needs to play to promote transparency of costs.

8. Contracting and Default Benefits Working Group

- The Committee was introduced to Mr Steve Somogyi, Chair of the Contracting and Default Benefits Working Group. Committee members shared their views on contracting and default benefit arrangements with Mr Somogyi.
- Committee members also noted the Working Group membership and meeting schedule.
- Mr Somogyi confirmed that he would provide advice from the Working Group to the Committee in March 2017.

9. Private Health Insurance Premium Setting

- The Committee considered the merits of an option to reform the premium setting arrangements. Most members were in favour of deregulation, and discussed options for transitioning to deregulation of premium setting.
- The Chair will provide advice to the Minister for Health on the Committee’s views.

10. Other Business

- The Committee noted that its next meeting is scheduled for Wednesday 22 February 2017.