

**Summary of the seventh meeting of the Private Health Ministerial Advisory Committee,
4 April 2017, Department of Health offices (Scarborough House), Canberra**

Attendees

<i>Members</i>	<i>Secretariat, Invitees and Observers</i>
Dr Jeffrey Harmer AO, Chair	Charles Maskell-Knight, Secretariat
Marcus Dripps, Allied Health Professions Australia	Susan Azmi, Secretariat
Anne Trimmer, Australian Medical Association	Vanessa Sheehan, Secretariat (Item 2)
Michael Roff, Australian Private Hospitals Association	Josh Shanahan, Secretariat (Item 3)
Toby Hall, Catholic Health Australia	Mitch Docking, Secretariat (Item 3)
Tony Lawson, Consumers Health Forum	Tracey Duffy, Department of Health, Observer
Ian Yates AM, COTA	
Jane Griffiths, Day Hospitals Australia	
Matthew Koce, hirmaa	
Andrea Kunca, Medical Technology Association of Australia	
Dr Rachel David, Private Healthcare Australia	
Philip Truskett AM, Royal Australasian College of Surgeons	
Garry Richardson, Expert member	

Apologies

1. Welcome, apologies and introductions

- Mark Cormack, *ex-officio*, was an apology.

2. Contracting and Default Benefits Working Group

- The Chair noted that the Contracting and Default Benefits Working Group had finalised its deliberations and had provided its report to the Committee. The Chair acknowledged the positive contribution the Working Group, Chaired by Mr Steve Somogyi, had made to the work of the Committee. The Chair also thanked Michael Roff, Jane Griffiths, Matthew Koce and Dr Rachel David for participating on the Working Group.
- The Working Group's report described the deliberations of the Working Group, including where members did not agree and where they found common ground. The report also suggested a number of areas for possible reform covering the contracting environment and the second-tier and minimum default benefit arrangements. The report focussed on possible changes to the administrative arrangements of the second-tier default benefit, including calculation of the benefit.
- The Committee considered the report and members indicated their level of support against the areas for possible reform identified by the Working Group.
- The Committee noted that the Secretariat would prepare a paper consolidating the views put forward by Committee members for the next meeting.

3. Product design

- The Secretariat provided an update on the product design modelling undertaken by Deloitte since the last meeting.
- The Committee considered the possible inclusion of a lower premium 'Basic Bronze' product under the Gold/Silver/Bronze product design arrangements. The Committee requested that Deloitte undertake further modelling and analysis on the services that could be covered by such a product.
- The Committee considered how consumers may respond to the product reforms being examined. The Committee agreed there would be benefit in having a better understanding of the reasons why consumers buy certain types of cover, perceptions of value, and likely consumer responses to changes to coverage and premium levels.

- The Committee discussed how to balance the objectives of improving value for consumers through enhanced coverage, while ensuring premium affordability. The Committee considered whether Gold/Silver/Bronze categories should represent minimum product requirements, with flexibility for insurers to cover additional services; or standardised mandated products.

4. Verbal updates

- The Committee received a brief update from the Secretariat on the discussions of the Information Provision for Consumers Working Group and the arrangements for the upcoming meeting of the Clinical Definitions Working Group.

5. Other business

- The Committee noted that its next meeting is scheduled for Wednesday 10 May 2017.