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Australian Government
Department of Health

phiconsultation@health.gov.au

Re: Options to reduce pressure on private health insurance premiums by addressing the growth of private patients in public hospitals

The Australasian Sleep Association (ASA) is the peak scientific body in Australia & New Zealand representing clinicians, scientists and researchers in the broad area of Sleep. Our vision is the provision of world standard research, education and training, and establishment of clinical standards to ensure clinical best practice in sleep medicine resulting in an informed community with healthy sleep practices.

A recent Sleep Health Foundation/Deloitte Access Economics Report has shown that inadequate sleep in 2016-17 cost Australia a total of \$26.2billion with direct costs to the health system of \$1.8billion. Research has indicated that approximately 10% of the population suffer from diagnosable sleep disorders. It is therefore imperative that there are sufficient sleep services available to both diagnose and treat these disorders.

Many sleep laboratories are located in public hospitals, and are only able to offer their services to patients because of the revenue available to them through being able to attract a bed fee for patients with private health insurance admitted for an overnight sleep study. Although the ASA is cognisant and aware of the pressure on Private Health Funds, the Medicare rebate for an overnight in-laboratory sleep study (item number 12203) is insufficient to cover the cost of the sleep study.

Most patients attending a public hospital for sleep studies do not have private health insurance, and currently the bed fee from those few privately-insured patients provides a cross-subsidisation for those uninsured patients. If a sleep laboratory were unable to receive a bed fee for the overnight stay, it is likely that many public hospital-located sleep laboratories would become unviable and have to close.

Currently there are already long waiting lists for patients to have sleep studies in public hospitals; if the bed fee removal resulted in the closure of some of these facilities, this would place enormous pressure on those sleep laboratories that remained open..

The ASA would therefore recommend that no changes be made to the current system of funding for overnight stays for patients who have private health insurance, thus helping to reduce the cost of sleep disorders to the nation, and the health system.

Should you require any further information in this regard please do not hesitate to contact me on 0438 178 898, e-mail: maree.barnes@austin.org.au .

Kind regards

A handwritten signature in black ink, appearing to read 'Maree Barnes', written in a cursive style.

Maree Barnes
President