

THE HOSPITALS CONTRIBUTION FUND OF AUSTRALIA LIMITED

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Department of the Senate,
PO Box 6100,
Parliament House,
Canberra ACT 2600

Dear Sir/Madam,

Comments on Healthcare Identifiers Bill 2010

Thank you for the opportunity to comment on the Healthcare Identifiers Bill 2010.

Background to HCF

HCF is the largest not-for-profit private health insurer in Australia, providing health insurance to over 1.3 million people. We fund health services amounting to around one billion dollars per year which represents services of over 600,000 bed days in 400 hospitals and 1.9 million inpatient medical services delivered by 20,000 registered doctors. We also provide funding toward 5.7 million ancillary services across 100,000 ancillary providers. Our provider network includes 2,500 dentists delivering preventive dental services with no out of pocket expenses.

HCF's main objective is to ensure that our members have easy access to high quality healthcare services at the lowest possible cost. To this end, we are supportive of any healthcare reform that streamlines and improves healthcare, which we believe to be the intent of this new legislation.

HCF's concerns

However, we have concerns that the current legislation is ambiguous in section 24 (4) (c) which, in its current form, compromises the ability of HCF to conduct some normal private health insurance business processes.

We have been reassured by senior executives from the Department of Health and Ageing (Private Health Insurance Branch) that Private Health Insurance will be permitted to use the new Healthcare identifiers **"as a means to identify the member to the fund to check eligibility or process claims"**. This is very important to HCF.

However, HCF is concerned that in its current form section 24 (4) (c) is ambiguous and does not reflect the above intent and so could result in confusion.

In our view, **"determining whether a contract of insurance covers the healthcare recipient in relation to a particular event"** is the same as checking eligibility and is what is done as part of processing a claim, which is permitted by the Private Health Insurance Act (2007). Paragraph 24 (4) (C) as drafted may be interpreted as prohibiting the use of identifiers for these purposes.

If the intent of paragraph 24 (4) (c) is to prevent discrimination against individuals and/or inappropriate use of health identifiers and data, then we consider that this should be made more explicit rather than using broad wording that could be interpreted as prohibiting legitimate actions (which are permitted under the Private Health Insurance Act).

Use and abuse of Healthcare Identifiers

We understand that some parties may have concerns about the new Healthcare Identifiers and the potential for misuse.

This fact is highlighted in the AHMC discussion paper which states that:

*“The inclusion of healthcare identifiers on a health records system or a patient’s file will not change how and when healthcare providers share information about individuals. **A healthcare identifier is simply a much more reliable way of referencing information**”¹.*

The Privacy Act and the National Privacy Principles are sufficient to protect the public with regard to unlawful disclosure or use of information. Furthermore, the Private Health Insurance Act 2007 and associated rules have extensive provisions which prohibit improper discrimination against individuals. We feel strongly that these Acts are the appropriate place to deal with the use and privacy of information.

Conclusion

In conclusion we reiterate that we support the concept of Healthcare Identifiers which ensure healthcare data is correctly matched to persons that provide or receive healthcare.

We are concerned that normal private health insurance processes such as eligibility checking and claiming will be adversely affected or prohibited by paragraph 24 (4) (c). HCF suggests that the paragraph be tightened or amended to clearly reflect the intention of the Department which was to allow private health insurers the ability to use the healthcare identifier in accordance with subsection 24(1) for the purposes of funding health insurance and therefore allowing its use for eligibility checking and processing claims. We would ask that this intention be clearly noted in the explanatory memorandum and the second reading speech to ensure that the use for eligibility checking and processing claims is not hindered.

We believe the privacy and rights of individuals are already protected in existing legislation including in the Private Health Insurance Act 2007 which prohibits improper discrimination on the basis of health.

We are encouraged that the final legislation has addressed many concerns we raised previously with the draft legislation, but we feel that clause 24 (4) (c) still needs modification.

Yours sincerely

Dr Chris Wallace,
General Manager, Benefits Management.

¹ “Building the foundation for an e-health future...update on legislative proposals for healthcare identifiers” AHMC November 2009, Section 5.1, p13