



4 August 2014

Committee Secretary  
Senate Standing Committee on Community Affairs  
PO Box 6100  
Parliament House  
Canberra ACT 2600

By email: [community.affairs.sen@aph.gov.au](mailto:community.affairs.sen@aph.gov.au)

Dear Committee Secretary,

**Private Health Insurance Amendment (GP Services) Bill 2014**

The Australian Nursing and Midwifery Federation (ANMF) is the largest professional and industrial organisation in Australia for nurses and midwives, with Branches in each State and Territory of Australia. The core business of the ANMF is the professional, industrial and political representation of our members and the professions of nursing and midwifery.

The ANMF has a membership of over 240,000 nurses, midwives and assistants in nursing employed in all sectors.

The ANMF welcomes the opportunity to provide input to the Community Affairs Legislation Committee Inquiry into the Private Health Insurance Amendment (GP Services) Bill 2014.

The ANMF understands that currently there is some ambiguity regarding whether a private insurer may enter into certain arrangements with primary care providers to provide preferential treatment to their members. We understand this Bill amends the Private Health Insurance Act 2007 to explicitly prohibit private health insurers from entering into such arrangements with primary care providers as appears to have occurred in the trial between Medibank and the Independent Practitioner Network.

The ANMF considers that permitting private insurers to enter into arrangements such as those described above will undermine the principles of universal access to health care provided by our universal insurer, Medicare, and will compromise its integrity and efficiency.

Permitting private insurers to negotiate arrangements in primary health care will further disadvantage those at risk and other vulnerable groups resulting in a two-tiered system that favours the insured.

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**ANMF Journals**

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professional organisation  
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For these reasons, the ANMF does not support the expansion of private health insurance into primary care or primary health care and we therefore write in support of this amendment.

The ANMF has a clear, long held position on the role of the private health sector and its interaction with the public health system. While acknowledging and respecting the need for an effective private health system, our national position is as follows:

- access to health care is a fundamental human right for every Australian, not a privilege;
- health is a public good with shared benefits and shared responsibilities;
- individuals requiring health care have a right to choose how and where that health care is provided;
- publicly funded universal health insurance is an efficient and effective mechanism to distribute resources in a manner that ensures timely and equitable access to affordable health care on the basis of clinical need rather than capacity to pay; and
- the private health sector has a legitimate and important role as an alternate choice for the provision of health care, however, its expansion must not be at the expense of publicly provided services available to all<sup>1</sup>.

The ANMF does not consider that expansion of the role of private health insurance would remain consistent with our nationally agreed position as it will not ensure equal access to health services for all regardless of capacity to pay. Inevitably, publicly funded health services would be undermined by the expansion.

In particular, allowing private insurers into the primary care and primary health care sectors will place significant obstacles between ordinary people and accessible and affordable care increasing out-of-pocket costs, and potentially influencing the treatment decisions of GPs and other providers based on cost outcomes. It could further leave large sections of the community without care as private insurers may be compelled to be selective in offering cover to those who will reap them the greatest reward, e.g. restrict access to cover for those with chronic conditions.

We believe that this would be another step toward 'americanisation' of our system and a prelude to the introduction of 'managed care' arrangements. We reject the notion that an insurance organisation, effectively a financial institution, should intrude into clinical decision making processes. Restricting the consumer's choice of provider; the provider's ability to negotiate fees; the autonomy of the decision making process are anathema to how the Australian system has been structured thus far.

It is vital that changes to the system serve the interests of quality and equity. There is widespread agreement among health economists that allowing private insurers to formalise relationships with GPs is inflationary: it will result in more GPs charging higher fees, increasing costs to both patients and the public purse. This measure is not about improving quality and equity – it is about embedding a two tier structure with less access for those not enrolled and for private profit. It is not in the broader interest of quality and equity.

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<sup>1</sup> ANMF Position Statement, *Public and Private Health Services*, first nationally endorsed 1994, reviewed and re-endorsed 2012.



There is no international evidence which supports the expansion of private health insurance as an effective means to reduce or control health costs while improving health outcomes. There are better and more effective options, which could relieve funding pressures into the future while continuing to ensure fair access to health services for all, available to Governments. These must be used in preference to expanding the role of private health insurance.

The ANMF, therefore, does not support the imposition of penalties for those who do not take out private health insurance regardless of their income. Nor do we support public subsidy of private health insurance; we believe that public funds must be directed to the public health system. This would make a significant contribution to relieving some of the current funding difficulties of the public health system as described by the Federal Government.

Many of these have been put forward to Governments by a range of health groups, but one of particular relevance to this discussion is the need to increase focus on prevention and primary health care and, critically, to expand the role Nurse Practitioners and eligible midwives<sup>2</sup>.

The ANMF further supports the Bill to preserve and protect public community and preventative health in state jurisdictions, which have been decimated in recent years. For instance in Queensland in the last two years the state government has overseen and orchestrated the closure of many community health services<sup>3</sup>, with either the termination of those services or their transfer to private providers. The consequences of such decisions will be felt for many years to come.

The closure or significantly reduced capacity of these services will be exacerbated by the expansion of a user pays insurance scheme. The lack of affordability of such schemes for the poor is precisely why public services were implemented in the first place.

Thank you for the opportunity to provide input to this Inquiry. We have attached copies of three ANMF position statements, relevant to this discussion, for your information. Please do not hesitate to contact us if you would like to discuss these comments in more detail.

Yours sincerely,

Lee Thomas  
Federal Secretary

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<sup>2</sup> The ANMF is able to provide further information on these roles and their potential for costs savings if required.

<sup>3</sup> List of services attached in appendices



## APPENDIX

### Services closed in Queensland

The following services have been closed or substantially reduced:

- Metro North Home and Community Care (HACC) now provided by NGO. Patients must now pay for consumables
- Toowong Community Health Centre, Pine Rivers Community Health Centre, Nundah Community Health Centre, North West Community Health Centre, Brighton Community Health Centre, Chermside Community Health Centre
- Biala City (Drug and Alcohol Community Health Centre)
- Cooina House (aged care), Ashworth House (aged care); Eventide (aged care)
- Aspley Community Health Centre
- Primary school nurses health service closed

Reductions in community health services in other regions:

- Weipa Primary Health and Home and Community Care (HACC)
- Emerald Community Interface Program -wound care in the home;
- Emerald palliative care, Emerald cardiac rehabilitation, Emerald childhood immunisation
- Moura HACC
- Mackay Alcohol, Tobacco and other Drug Service
- Queensland Tuberculosis Control Centre
- Metro South HACC program (closed with 4,300 clients)
- Townsville Youth Public Health Service (family care, jail drop-in service, behavioural management, post-natal services)
- Wide Bay Cardiac Rehabilitation and Heart Failure Service (home assessment service post heart attack)