

## Questions for the Australian Health Insurance Association

1. The Committee is conducting an inquiry into item 16525. Part of the terms of reference is the effects of disallowing this item. The Department of Health and Ageing stated in its submission the following:

If item 16525 were disallowed private health insurers would not be obligated to pay benefits to their members for this service. Health insurers can pay benefits for a wide range of health care services that are not covered under Medicare but this would be a decision for the individual fund.

Can you confirm that this would be the case if item 16525 was disallowed?

Private Health Funds are not obliged to pay benefits for this service if it is not listed on the Medicare Benefits Schedule. PHI members would need to discuss this option with their individual fund.

2. Is the AHIA able to provide the committee with an indication of the benefits paid to women with private health insurance for spontaneous and induced labours?

According to the Australian Government's Medicare Benefits Schedule (November 2007), the fee for Item 16525 is \$267.00 and the Medicare benefit paid is 75% = \$200.25. Private Health Funds are required to pay the difference between the Scheduled Fee and the Medicare Benefit (25%). In addition, Funds negotiate directly with medical practitioners to determine the percentage of the gap which is payable. This will vary between Funds.

3. If a women with private health insurance is having an induced labour (late term termination) at a stand alone private practice, what refunds would apply? (The committee has heard evidence that fess of up to \$4000 are being charged in some cases).

The fees being charged by medical professionals is a matter for them. The benefit paid by health funds would vary from fund to fund depending on the level of cover commensurate with the individual's Health Insurance Policy and the negotiated agreement with the medical practitioner.

4. Is AHIA able to provide any information on what providers refund in relation to induced abortions generally?

No – as this information is not available to the AHIA, however Medicare Australia would have information on the number of services and benefits paid for Item 16525 for all private patients.