

## **Private health reform – what is the best way forward?**

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The Consumers Health Forum welcomes the call from the Australian Medical Association (AMA) for the discussion on private health in Australia.

The Consumer's Health Forum CEO, Leanne Wells, says that CHF agrees that the private health system needs reform and the AMA's discussion paper is a useful way of getting the conversation started.

The Consumers Health Forum endorses the idea that a whole system approach for reform of health care is needed.

"It is in everyone's interest to make sure that both sectors of the health system are sustainable and continue to deliver in this way," said Ms Wells.

"However," said Ms Wells, "we should not be pre-emptive with solutions without having a clear and shared understanding of where the problems lie, and an agreed vision of what we are trying to achieve," said Ms Wells.

"Australians receive their healthcare from a mixed public-private health system which serves the public very well, delivering some of the best health outcomes in the world," said Ms Wells.

"These are not two separate systems -- there are many interdependencies and points of intersection," she said.

"The private health sector attracts significant taxpayer funding. It is imperative that there is a clear vision of the value proposition for all taxpayers, not just those who have private health insurance or use the private health system," said Ms Wells.

The AMA is calling for the establishment of an independent and well-resourced Private Health System Authority to fill the gaps in the current regulatory environment and oversee the private healthcare system.

The Consumers Health Forum has consistently called for an independent review of the private health system.

"We still think that this needs to happen before we start looking at detailed solutions, such as the suggested private health sector authority," said Ms Wells.

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Consumers shaping health

“An open inquiry which takes evidence from across all stakeholder groups is the best placed mechanism to identify the real pain points in the system and make some recommendations on how to fix them,” she said.

“it’s important to take note of the significant cost of living pressures on Australians at the moment, which may cause people to reassess their decision to have private health insurance and use the private system.”

We know that people value the convenience of not being on a public wait list and having their choice of doctor in hospital, however these conveniences come at a cost. Private Health Insurance is a discretionary item, and for households experiencing financial pressure, private health insurance may stretch budgets too far, said Ms Wells.

“If more people move out of the private system this will add to increased pressure on the public health system,” said Ms Wells.

“We need reforms that encourage integration and coordination across the public and private system. The proposed Private Health System authority has the potential to do the opposite, to fragment the system and make it more difficult to solve common problems workforce shortages and dealing with disruptions like COVID, said Ms Wells.

“Private health has to remain an appealing and a viable option for health consumers, or the systemic issues will continue to wreak havoc with healthcare” said Ms Wells.

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