



6 September 2013

Mr Bruce Cooper
Australian Competition & Consumer Commission
GPO Box 3131
CANBERRA ACT 2601
(by email to: phireport@accc.gov.au)

Dear Mr Cooper

ACCC REPORT TO THE SENATE ON PRIVATE HEALTH INSURANCE

Thank you for your letter dated 6 August 2013 inviting ADHA to provide a submission in response to the issues raised in your letter. We thank you also for agreeing to extend the deadline until COB 6 September 2013 to enable us the opportunity to respond.

To provide some brief background on ADHA and our sector, the Private (Stand-Alone) Day Hospital industry plays an important role in the delivery of Private Hospital care in Australia. There are currently 288 stand alone Day Hospitals in Australia¹ of which 156 are members of ADHA. This means that ADHA represents 54% of the Private (Stand-Alone) Day Hospital sector and as such is the largest peak body representing this sector.

Day Hospitals range greatly in size and can vary from a one-theatre arrangement performing simple local anaesthetic surgical cases, up to large 4-6 theatre day surgery complexes, performing advanced surgical operations. Some stand-alone units have even moved to 23 hour licensing where the patient is admitted on one day and is discharged the next, with their admission lasting up to 23 hours.

Focusing strictly on the contents of your letter and the responses you request, ADHA can advise the following.

Our members as operators of Day Hospitals are not really in a position to provide any insight into how consumers have reacted to the end of year advertising by health insurance funds. Anecdotally we have received neither positive nor negative reactions to such advertising and so are not able to comment on its impact.

One issue however that we would like to comment on is the issues encountered by patients who have changed health funds. At the time of pre-admission health fund checks being undertaken, there is often a delay in processing the transfer of cover and this can be up to 3 months after the patient has switched funds. This results in extra work for the Day Hospital and extra work and stress for the patient who has to ensure that the outgoing fund effectively communicates with the incoming fund in order to establish if they are covered by the incoming fund health fund for the procedure they are having.

¹ According to the Department of Health & Ageing, April 2013

The other issue we are aware of relates to patients who are on an insurance table with an excess and who have multiple hospital admissions in a very short space of time. In these circumstances the information the patient (and the Day Hospital) receives from the fund when pre-admission checks are done is often inaccurate. This is because funds are basing their advice on hospital claims that have already been processed.

In formulating their advice it would be preferable for funds to also include information on claims that are still in process and on any other pre-admission requests they have received in respect of the patient in question.

Should you wish to discuss any of the above in more detail please do not hesitate to contact us (the ADHA National Board Secretary can be reached on debbie.pantany@adha.asn.au or 08 9304 8488).

Yours sincerely



Michael Chalk
SA Board Director
(on behalf of the full ADHA Board of Directors)