

**Summary of the eleventh meeting of the Private Health Ministerial Advisory Committee,  
8 November 2017, Department of Health offices (Sirius building), Canberra**

**Attendees**

<i>Members</i>	<i>Proxies and Secretariat</i>
Dr Jeffrey Harmer AO, Chair	Andrea Kunca, Medical Technology Association of Australia
Marcus Dripps, Allied Health Professions Australia	Charles Maskell-Knight, Secretariat
Philip Truskett AM, Royal Australasian College of Surgeons	Susan Azmi, Secretariat
Toby Hall, Catholic Health Australia	Margaret Noris, Secretariat
Tony Lawson, Consumers Health Forum	Anna Smith, Secretariat (Items 1-4)
Ian Yates AM, COTA	Mitch Docking, Secretariat (Items 1-7)
Matthew Koce, hirmaa	Josh Shanahan, Secretariat (Items 5-7)
Jane Griffiths, Day Hospitals Australia	Vanessa Sheehan, Secretariat (Item 8)
Dr Rachel David, Private Healthcare Australia	Carla Roots, Secretariat (Item 9-10)
Anne Trimmer, Australian Medical Association	Julianne Quaine, Department of Health, Observer
Michael Roff, Australian Private Hospitals Association	<i>Other attendees</i>
Mark Cormack, ex-officio (Items 1-2)	Alex Caroly, Senior Adviser to the Minister for Health
	Tracey Duffy, Department of Health (Items 1-2)
	Greg Smith, Chair of the Private Health Ministerial Advisory Committee Risk Equalisation Working Group (Item 8)

**Apologies**

Ian Burgess, Medical Technology Association of Australia

Garry Richardson, Expert member

**1. Welcome, apologies and introductions**

- The Chair noted apologies for this meeting.

**2. Private Health Insurance reform package**

- The Secretariat provided a presentation to members about the private health insurance reform measures announced by the Minister for Health on 13 October 2017.
- Members discussed elements of the reform package. In relation to product design, members noted that while high level principles have been agreed, the minimum requirements for each category of cover are not yet finalised.
- Members raised some concerns about the potential incentives that could result from the measure to allow travel and accommodation benefits to be paid under hospital cover.

**3. Private health insurance reform implementation**

- Members noted that PHMAC will have an ongoing role in the implementation of private health insurance reforms.
- Members further noted that the “Low Value Care Expert Committee” has been re-named the Improved Models of Care Working Group, and will be a working group that reports to PHMAC. The Best Practice Models for Transparency of Out-of-pocket Costs will be a separate committee; PHMAC will receive updates from this committee at its meetings.

**4. Private Health Ministerial Advisory Committee (PHMAC) work plan and update**

- As a result of the announcement of the private health insurance reform package, the PHMAC workplan has been revised.
- The revised workplan will be published on the PHMAC website.

## **5. Gold/Silver/Bronze/Basic implementation**

- The Secretariat provided an overview of the Gold/Silver/Bronze/Basic product categorisation reforms announced by the Minister for Health, including the key design principles that will apply under the new arrangements.
- Members noted that the new product categorisation arrangements take effect from 1 April 2019 and that the minimum requirements for each category of cover will be finalised during 2017-18 in consultation with industry and PHMAC.
- Members agreed they would provide the Secretariat with feedback on the minimum coverage requirements that should be set for each category of cover (both hospital treatment and general treatment products) by 8 December 2017.
- Members noted that the Department of Health will hold a forum with private health insurers on 29 November 2017 to discuss the operational details of the private health insurance reforms, including Gold/Silver/Bronze/Basic product categorisations.
- Members agreed that the Secretariat would return to PHMAC in February 2018 with minimum product requirement options for Gold/Silver/Bronze/Basic product based on the feedback received from members and insurers.

## **6. Improved Models of Care Working Group**

- The Committee noted the Government's announcement of the establishment of an expert committee on addressing low value care. The Chair advised that the title of this group will be changed to the Improved Models of Care Working Group. He also advised members that the group would be established as a working group that will report to PHMAC.
- Members were asked to provide nominations of possible members for the working group by 22 November 2017.

## **7. General treatment financing models**

- The Committee noted that its work plan includes consideration of "other funding models for general treatment services" as an area for consideration. Members were asked to consider the range of policy and funding options that should be examined as part of this topic.
- Members agreed that they would provide the Secretariat with feedback on the policy and funding options to be examined as part of this topic and noted that this work will be discussed by the Committee in early 2018.

## **8. Risk Equalisation update**

- Mr Smith provided an update on the Risk Equalisation Working Group's deliberations.
- Mr Smith advised that the Working Group has met three times and will meet one further time in December.
- The Committee noted that the Chair will finalise the Working Group's advice in early 2018 and provide this to the Committee for its consideration at its next meeting.

## **9. Further regulatory issues – opportunities for further reform**

- Committee members were asked to provide proposals on further regulatory issues that could be addressed through the Committee.
- Proposed regulatory issues will be considered at the next Committee meeting.

## **10. Other Business – Standard Clinical Definitions**

- The Committee noted the clarification around private health insurance coverage for breast reconstruction and organ transplants under the new list of clinical definitions.
- The Committee further noted that the department is currently in the process of populating a list of procedures for each clinical definition and further issues that arise will be addressed while completing this process.