

**Summary of the third meeting of the Private Health Ministerial Advisory Committee,  
7 December 2016, Department of Health offices (Sirius Building), Canberra**

**Attendees**

<i>Members</i>	<i>Proxies and Secretariat</i>
Dr Jeffrey Harmer AO, Chair	Jo Root, Consumers Health Forum (proxy)
Marcus Dripps, Allied Health Professions Australia	Susan McGrath, COTA Australia (proxy)
Anne Trimmer, Australian Medical Association	John Biviano, Royal Australasian College of Surgeons (Proxy)
Michael Roff, Australian Private Hospitals Association	Charles Maskell-Knight, Secretariat
Toby Hall, Catholic Health Australia	Susan Azmi, Secretariat
Jane Griffiths, Day Hospitals Australia	Tracey Duffy, Department of Health, Observer (Item 2)
Matthew Koce, hirmaa	Pierre Nijssen, Department of Health, Observer (Items 3 and 4)
Andrea Kunca, Medical Technology Association of Australia	Mitch Docking, Secretariat (Item 2)
Dr Rachel David, Private Healthcare Australia	Josh Shanahan, Secretariat (Item 2)
Garry Richardson, Expert member	Vanessa Sheehan, Secretariat (Items 3, 6 and 7)
	Peta McElgunn, Secretariat (Item 4)
	Carla Roots, Secretariat (Item 5)
	Kristy Domitrovic, Minister Ley's office

**Apologies**

Tony Lawson, Consumers Health Forum

Ian Yates, COTA Australia

Philip Truskett AM, Royal Australasian College of Surgeons

Mark Cormack, Department of Health (ex officio)

**1. Welcome, apologies and introductions**

The Chair noted apologies for this meeting.

**2. Product design**

- The Committee continued discussions of the possible operational arrangements of a product design approach that categorises hospital products into Gold/Silver/Bronze tiers according to exclusions and excesses. The Committee considered the minimum product standards and excess levels that could apply under such a scheme, whether insurers should be permitted to apply restrictions and co-payments and the impacts such changes would have on premiums.
- The Committee noted that the Department will shortly engage actuarial support to undertake modelling and analysis of product design approaches being considered by the Committee.
- The Committee discussed the issue of policy restrictions; including 'public hospital only' products and the perceived value of these products for some consumers (for example people living in rural areas without ready access to private hospitals).
- The Committee considered data on the provision of mental health services funded by private health insurance and discussed the levels of mental health coverage that could be included within different tiers of hospital insurance.

- The Committee noted that the Secretariat will prepare a paper for the next meeting outlining possible approaches for applying new classification arrangements to general treatment products.

### **3. Private Health Insurance Premium Setting**

- The Committee considered a private health insurance premium setting paper prepared by the Secretariat. The paper provided background on current private health insurance premium setting arrangements, stakeholder views and potential options for reform including increased regulation, modified regulation, price monitoring and deregulation.
- Committee members discussed the merits of reform options and agreed that the Secretariat would further develop options for the Committee to consider at its next meeting.

### **4. Information provision for consumers**

- The Committee agreed the importance of ensuring that consumers have access to the right information to assist them to make informed decisions regarding private health insurance.
- The Committee discussed current information provision requirements and opportunities for reform. The Committee noted that developments in information technology provide opportunities for better information provision.
- The Committee noted the links between information provision, product design and standard clinical definitions, which will also be considered in early 2017.

### **5. Out-of-pocket costs**

- The Committee considered an out-of-pocket costs issues paper prepared by the Secretariat. The paper provided background information and data on hospital, medical and general treatment out-of-pocket costs. The Committee noted that the largest out-of-pocket costs occur in medical services.
- The Committee discussed possible options to reduce out-of-pocket costs, noting the legal and political difficulties of regulating in this area. The Committee agreed to further develop options in relation to the provision of information to consumers and GPs.

### **6. Contracting and Default Benefits Working Group**

- The Committee agreed the Terms of Reference for the Contracting and Defaults Benefits Working Group.
- The Committee noted the member nominations received for the working group and that a Chair has also been identified. The first meeting of the working group is scheduled for 2 February 2017.

### **7. Improved value for rural consumers – update**

- The Committee noted that the Improving the Value of Private Health for Rural and Remote Consumers workshop is being held on 12 December 2016. The Committee also noted an information paper that had been sent to workshop participants.
- The Committee will receive feedback from the workshop at its next meeting.

### **8. Other business**

- The Committee noted that its next meeting is scheduled for Wednesday 1 February 2017.