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Commonwealth Health Department

Via email – phiconsultation@health.gov.au

Dear colleagues

MIGA submission – Private health insurance reforms – second wave

As a medical defence organisation and medical / professional indemnity insurer, MIGA appreciates the opportunity to contribute to the Department's consultation on the second wave of private health insurance reforms.

MIGA's submission focuses on practical implementations of the Department's proposals involving expansion of both post-operative out of hospital care and mental health care funded by private health insurance, and further regulation of disputes around hospital admission between doctors and insurers.

MIGA's position

Expansion of private health insurance to a broader range of healthcare settings is a matter for Government, peak professional bodies and the community.

It is imperative that decisions around models and methodologies of care be made by the patient and their treating doctor together, not a private health insurer (**PHI**), based on clinical judgment and the patient's best interests.

MIGA is concerned about the extent to which the Department's proposals, without appropriate checks and balances, could adversely impact patient care, lead to inappropriate questioning of proper clinical decisions and increase civil liability for doctors.

Details of MIGA's positions on various Department proposals are set out below.

MIGA's interest

MIGA is a national medical defence organisation and medical / professional indemnity insurer with over 36,000 members and clients across the country. These include doctors, healthcare practices, privately practising midwives and medical students across a broad range of specialties and settings.

Through advice, assistance, education and advocacy, it has considerable expertise and experience in medico-legal issues, healthcare regulation and risk management.

MIGA advises and assists its members and clients around a wide range of medico-legal and regulatory issues arising out of post-operative and mental healthcare, both in public and private settings. This includes assessment, consent and decision-making processes, post-operative outcomes and funding issues (including Medicare compliance). Its education for members, clients and the broader profession works through the complexities of these issues for day-to-day clinical practice.

Through advocacy and engagement with government, regulators and other professional groups, MIGA deals with a broad range of reform initiatives, and both emerging and recurring issues. This includes extensive work on Medicare issues, including legislative reforms, Departmental guidance and Professional Services Review engagement.

Consultation 2 – Expanding home and community based rehabilitation care

MIGA's submissions focus on rehabilitation plans which include out of hospital care, namely

- Plans should not be unduly proscriptive or 'tick a box' exercises and cannot be unduly burdensome for doctors and other healthcare providers
- Plans must focus on ensuring appropriate care in specific circumstances and appropriate involvement of / communication between various healthcare providers, including treating doctors, referring doctors, community nursing and allied health professionals
- Appropriate financial recompense under private health insurance for plan preparation is necessary
- Decisions by a PHI to question or refuse payment of benefits under a plan should only occur for plans which are clearly outside appropriate professional practice – there should not be scope to contest plans which fall within a range of appropriate professional approaches
- There must be appropriate scope to modify the plan as patient condition / circumstances change, without need for PHI approval
- A transition period, say 12 months, is necessary before use of plans is expected, so the healthcare profession has sufficient time to consider what is required of them and implement it
- Peak bodies should lead development of appropriate plan frameworks to guide the profession.

Consultation 3 – Out of hospital mental health services

MIGA's submissions deal with a number of implications of expanding private health coverage to community mental health care, namely

- PHI payment of benefits for community mental healthcare must be based on appropriate professional standards and the best interests of individual patients, not universal 'tick a box' criteria divorced from clinical or individual patient realities
- Any qualification / expertise requirements for doctors to provide these services should be set by the medical profession, not PHIs
- Expansion of chronic disease management plans for mental health to other specialities is a matter for government, peak professional bodies and the community, based on ensuring that the appropriate clinicians provide patient care
- Further consultation will be required with stakeholders, including MIGA, to determine the nature and extent of requirements for payment of benefits, and the potential liability of treating providers.

Consultation 4 – Certification for hospital admission

In relation to proposals for dealing with disputes over certification for hospital admission, MIGA supports

- Development of professional guidelines, led by colleges / associations, on when Type C certificates for hospital admission (and Type B certificates for overnight stays) may be required
- Establishment of an appropriate advisory / mediation panel to examine disputes between doctors, hospitals and private health insurers over use of Type B and C certificates involving clear departures from professional guidelines with no reasonable explanation.

MIGA opposes expanding the Professional Services Review (PSR) jurisdiction to private health insurer disputes.

The PSR's focus on inappropriate Medicare claiming is very different to determining whether a hospital admission / overnight stay is required on clinical grounds.

Issues of inappropriate practice involving Type B and C certificates are best dealt with by the Medical Board / Ahpra, given their profession oversight and broad clinical expertise.

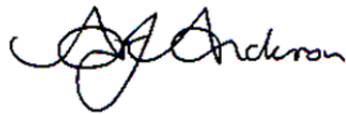
Instead of using the PSR as compliance mechanism, the proposed advisory / mediation panel could have scope to refer a doctor to the Medical Board / Ahpra in cases indicating a pattern of serious departures from professional standards. Any subsequent mechanisms for recovery of benefits paid could then be based on Board findings.

If you have any questions or would like to discuss, please contact Timothy Bowen, 02 8905 3476 / timothy.bowen@miga.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to be 'T Bowen', written on a light background.

Timothy Bowen
Manager - Advocacy & Legal Services

A handwritten signature in black ink, appearing to be 'M Anderson', written in a cursive style.

Mandy Anderson
CEO & Managing Director