

## MEDIA RELEASE:

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15.11.2019

### **Public hospitals cashing in on private patients with massive fee hikes**

Public hospitals are hiking up fees for privately insured patients and adopting aggressive, tactics to prop up poorly managed budgets, says the peak body for 27 of Australia's not-for-profit health insurers.

Fee notification letters from one of Victoria's leading public institutions The Royal Women's Hospital show accommodation charges for private patients have, in some instances, risen by between 50 and 124 per cent over the past five years.

In the past year alone, 1- to 14-day accommodation for *Advanced Surgical* and *Surgical* patients have increased 38 per cent, according to letters sent to health funds and seen by Members Health.

"With reports in the media of the Victorian government putting the squeeze on public hospital budgets – despite ever increasing Commonwealth funding – it comes as no surprise that hospital administrators are seeking other ways to prop up their revenue streams," said Members Health CEO Matthew Koce.

"But that's no excuse. The letters from the Royal Women's Hospital are yet another in a series of announcements over the past five years, which have seen prices for some room categories more than double."

"These fee hikes are the consequence of blatant cost shifting by the State Government, forcing public hospitals to make up funding shortfalls by seeking more money from people with private health cover."

In addition to these shameless fee hikes, Members Health regularly sees explicit evidence of public hospitals aggressively pressuring private patients to use their cover for services otherwise covered by Medicare.

"This pattern of behavior – State governments cutting funding and public hospitals targeting privately insured patients – is adding well over \$1.1 billion to the cost of health cover every year and unfairly pushing those without insurance further down the waiting list for treatment."

"Yesterday's news of more than 20,000 sick Victorians having their surgeries further delayed because of massive State budget cuts eliminates any doubt over why public hospitals are hiking their fees for private patients at such exorbitant rates," Mr Koce said.

"For those without private health insurance, waiting lists in the public hospital system can run into the years for painful and debilitating conditions."

In 2017-18, Australian Institute of Health and Welfare figures showed the median waiting time for elective surgery in public hospitals rose to 41 days overall – 44 days for public patients and 22 days for patients who used private health insurance to fund all or part of their admission.

"It's outrageous that while health funds are working hard to relieve the cost pressure on consumers, recently achieving the lowest increase in 18 years, State-run hospitals appear to

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be treating privately insured patients as cash cows to be taken advantage of and are pushing public patients to the end of the queue.”

“We congratulate the Federal Minister for Health, Greg Hunt MP for acknowledging and tackling the rapidly escalating growth and excessive charging of private patients in public hospitals. Unfortunately, this most recent behavior suggests we have a long way to go.”

“Affordability is a key concern for private health consumers and Members Health funds are working hard to keep costs as low as possible. The behavior of some public hospitals is very concerning and we are keen to work with the Federal Government and the COAG process to make sure everyone, regardless of their health insurance status, gets a fair go when they present to hospital.” Matthew Koce said.

*Members Health is the peak industry body for 27 health insurers which are not-for-profit, member-owned and community based. In all, the Members Health funds provide private health insurance to more than 3 million Australians.*

**Media contact**

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**Putting members' health before profit**

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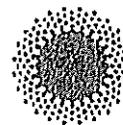
**T.** (03) 8831 3372 **E.** [info@membershealth.com.au](mailto:info@membershealth.com.au) **W.** [membershealth.com.au](http://membershealth.com.au) **ABN.** 43 358 871 550

## ROYAL WOMENS HOSPITAL FEE HIKES

Patient classification / Length of stay	Fees per day 2015-16		Fees per day 2016-17		Fees per day 2017-18		Fees per day 2018-19		Fees per day 2019-20		Change (2019-20)		Five-year change	
	Shared	Single	Shared	Single	Shared	Single								
<b>Advanced surgical</b>														
1-14 days	\$810	\$960	\$823	\$965	\$972	\$1,038	\$972	\$1,038	\$1,300	\$1,433	34%	38%	60%	49%
15+ days	\$808	\$864	\$821	\$870	\$827	\$876	\$827	\$876	\$847	\$937	2%	7%	5%	8%
<b>Surgical</b>														
1-14 days	\$786	\$960	\$821	\$965	\$942	\$1,008	\$942	\$1,008	\$1,300	\$1,401	38%	39%	65%	46%
15+ days	\$666	\$864	\$708	\$870	\$714	\$876	\$714	\$876	\$734	\$937	3%	7%	10%	8%
<b>Obstetric</b>														
0-2 days (non refundable)	\$1,572	\$1,920	\$1,642	\$1,930	\$1,650	\$1,946	\$1,650	\$1,946	\$1,752	\$2,028	6%	4%	11%	6%
3-14 days	\$786	\$960	\$821	\$965	\$825	\$973	\$825	\$973	\$876	\$1,014	6%	4%	11%	6%
15+ days	\$666	\$864	\$708	\$870	\$714	\$876	\$714	\$876	\$734	\$913	3%	4%	10%	6%
<b>Private midwife (NEW)</b>														
0-2 days (non refundable)	-	-	-	-	-	-	-	-	\$1,300	\$1,946	-	-	-	-
3-14 days	-	-	-	-	-	-	-	-	\$650	\$973	-	-	-	-
15+ days	-	-	-	-	-	-	-	-	\$594	\$876	-	-	-	-
<b>Medical</b>														
1-14 days	\$754	\$806	\$788	\$810	\$795	\$815	\$795	\$815	\$822	\$855	3%	5%	9%	6%
15+ days	\$681	\$769	\$720	\$775	\$726	\$800	\$726	\$800	\$734	\$808	1%	1%	8%	5%
<b>Day surgery/day admission</b>														
0 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Band 1 no anaesthetic	\$305	-	\$336	-	\$341	-	\$341	-	\$360	-	6%	-	18%	-
Band 2 local anaesthetic	\$360	-	\$392	-	\$398	-	\$398	-	\$430	-	8%	-	19%	-
Band 3 anaesthetic theatre <1 hr	\$505	-	\$590	-	\$698	-	\$698	-	\$753	-	8%	-	49%	-
Band 4 anaesthetic theatre >1 hr	\$580	-	\$821	-	\$942	-	\$942	-	\$1,300	-	38%	-	124%	-

Patient classification / Length of stay	Fees per day 2012-13		Fees per day 2019-20		2012-2020 % Change	
	Shared	Single	Shared	Single	Shared	Single
<b>Advanced surgical</b>						
1-14 days	\$384	\$753	\$1,300	\$1,433	239%	90%
15+ days	\$266	\$560	\$847	\$937	218%	67%
<b>Surgical</b>						
1-14 days	\$356	\$715	\$1,300	\$1,401	265%	96%
15+ days	\$266	\$560	\$734	\$937	176%	67%
<b>Obstetric</b>						
0-2 days (non refundable)	-	-	\$1,752	\$2,028	-	-
3-14 days	-	-	\$876	\$1,014	-	-
15+ days	-	-	\$734	\$913	-	-
<b>Private midwife (NEW)</b>						
0-2 days (non refundable)	-	-	\$1,300	\$1,946	-	-
3-14 days	-	-	\$650	\$973	-	-
15+ days	-	-	\$594	\$876	-	-
<b>Medical</b>						
1-14 days	\$309	\$629	\$822	\$855	166%	36%
15+ days	\$266	\$560	\$734	\$808	176%	44%
<b>Day surgery/day admission</b>						
0 days	-	-	-	-	-	-
Band 1 no anaesthetic	\$225	-	\$360	-	60%	-
Band 2 local anaesthetic	\$266	-	\$430	-	62%	-
Band 3 anaesthetic theatre <1 hr	\$310	-	\$753	-	143%	-
Band 4 anaesthetic theatre >1 hr	\$356	-	\$1,300	-	265%	-

9 August 2013



the women's  
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Dear Sir/Madam

**RE: Increase of fees for private patients July 2013 – The Royal Women's Hospital**

As a public hospital, we have traditionally been informed by the Department of Health of the accommodation fees to be charged to private patients. In recognition of the increasing cost of providing services to patients, for 2013/14 the Department has advised that health services are "able to make their own determination on accommodation fees to be charged to private patients who receive treatment at their campuses".

Accordingly, to reflect our costs as a specialist tertiary hospital recognised for the quality of care that it delivers across its specialities, The Royal Women's Hospital has adopted a new schedule of fees that reflects the quality of services that your members will receive:

Patient Classification	Length of Stay	Fee per day(\$) 2012/13		Fee per day(\$) 2013/14	
		Shared	Single	Shared	Single
Advanced Surgical	1-14 days	384	753	653	772
	15+ days	266	560	574	574
Surgical/Obstetric	1-14 days	356	715	640	733
	15+ days	266	560	574	574
Medical	1-14 days	309	629	612	645
	15+ days	266	560	574	574
Day Surgery/Day Admissions	0 days				
	Band 1 no anaesthetic	225		231	
	Band 2 local anaesthetic	266		273	
	Band 3 anaesthetic theatre < 1 hour	310		318	
	Band 4 anaesthetic theatre > 1 hour	356		365	

Where your members are not covered for these rates we may charge them a co-payment. As per our requirements regarding Informed Financial Consent, we will advise them accordingly of any out-of-pocket fees that they will be required to pay.

If you have any questions or require further information please do not hesitate to contact Catherine Graham on 8345 2930.

Yours sincerely

Zak Gruevski  
Executive Director, Finance & Support Services

9 September 2014



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Dear Sir/Madam

**RE: Increase of fees for private patients September 2014 – The Royal Women's Hospital**

As a public hospital, we have traditionally been informed by the Department of Health of the accommodation fees to be charged to private patients. In recognition of the increasing cost of providing services to patients, for 2014/15 the Department has for the second year advised that health services are "able to make their own determination on accommodation fees to be charged to private patients who receive treatment at their campuses".

Accordingly, to reflect our costs as a specialist tertiary hospital recognised for the quality of care that it delivers across its specialities, The Royal Women's Hospital has adopted a new schedule of fees that reflects the quality of services that your members will receive:

Patient Classification	Length of Stay	Fee per day(\$) 2013/14		Fee per day(\$) 2014/15	
		Shared	Single	Shared	Single
Advanced Surgical	1-14 days	653	772	668	794
	15+ days	574	574	585	591
Surgical	1-14 days	640	733	655	754
	15+ days	574	574	585	591
Obstetric	1-2 days (non-refundable)	N/A	N/A	1,310	1,508
	3-14 days	640	733	655	754
	15 + days	574	574	585	591
Medical	1-14 days	612	645	624	664
	15 + days	574	574	585	591
Day Surgery/Day Admissions	0 days				
	Band 1 no anaesthetic	231		300	
	Band 2 local anaesthetic	273		354	
	Band 3 anaesthetic theatre < 1 hour	318		500	
	Band 4 anaesthetic theatre > 1 hour	365		575	

Where your members are not covered for these rates we may charge them a co-payment. As per our requirements regarding Informed Financial Consent, we will advise them accordingly of any out-of-pocket fees that they will be required to pay.

If you have any questions or require further information please do not hesitate to contact Catherine Graham on 8345 2930.

Yours faithfully

Zak Gruevski

**Executive Director, Finance & Support Services**

3 September 2015



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Dear Sir/Madam

**RE: Increase of fees for private patients 7 September 2015 – The Royal Women's Hospital**

As a public hospital, we have traditionally been informed by the Department of Health and Human Services of the accommodation fees to be charged to private patients. In recognition of the increasing cost of providing services to patients, for 2015/16 the Department has for the third year advised that health services are "able to make their own determination on accommodation fees to be charged to private patients who receive treatment at their campuses".

Accordingly, to reflect our costs as a specialist tertiary hospital recognised for the quality of care that it delivers across its specialities, The Royal Women's Hospital has adopted a new schedule of fees that reflects the quality of services that your members will receive:

Patient Classification	Length of Stay	Fee per day(\$) 2014/15		Fee per day(\$) 2015/16	
		Shared	Single	Shared	Single
Advanced Surgical	1-14 days	668	794	810	960
	15+days	585	591	808	864
Surgical	1-14 days	655	754	786	960
	15+ days	585	591	666	864
Obstetric	1-2 days (non-refundable)	1,310	1,508	1,572	1,920
	3-14 days	655	754	786	960
	15 + days	585	591	666	864
Medical	1-14 days	624	664	754	806
	15 + days	585	591	681	769
Day Surgery/Day Admissions	0 days				
	Band 1 no anaesthetic	300		305/405	
	Band 2 local anaesthetic	354		360	
	Band 3 anaesthetic theatre < 1 hour	500		505	
	Band 4 anaesthetic theatre > 1 hour	575		580	

Where your members are not covered for these rates we may charge them an out-of-pocket fee. As per our requirements regarding Informed Financial Consent, we will advise them accordingly of any out-of-pocket fees that they will be required to pay.

If you have any questions or require further information please do not hesitate to contact Catherine Graham on 8345 2930.

Yours faithfully

Gruevski  
Executive Director, Finance & Corporate Services

10 November 2016



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Dear Sir/Madam

**RE: Increase of fees for private patients 14 November 2016 – The Royal Women's Hospital**

As a public hospital, we have traditionally been informed by the Department of Health and Human Services of the accommodation fees to be charged to private patients. In recognition of the increasing cost of providing services to patients, for 2016/17 the Department has for the fourth year advised that health services are "able to make their own determination on accommodation fees to be charged to private patients who receive treatment at their campuses".

Accordingly, to reflect our costs as a specialist tertiary hospital recognised for the quality of care that it delivers across its specialities, The Royal Women's Hospital has adopted a new schedule of fees that reflects the quality of services that your members will receive:

Patient Classification	Length of Stay	Fee per day (\$) 2015/16		Fees per day (\$) 2016/17	
		Shared	Single	Shared	Single
Advanced Surgical	1-14 days	810	960	823	965
	15+ days	808	864	821	870
Surgical	1-14 days	786	960	821	965
	15+ days	666	864	708	870
Obstetric	1-2 days (non-refundable)	1,572	1,920	1,642	1,930
	3-14 days	786	960	821	965
	15+ days	666	864	708	870
Medical	1-14 days	754	806	788	810
	15+ days	681	769	720	775
Day Surgery/Day Admissions	0 days				
	Band 1 no anaesthetic	305/405		336/468	
	Band 2 local anaesthetic	360		392	
	Band 3 anaesthetic theatre < 1 hour	505		590/691	
	Band 4 anaesthetic theatre > 1 hour	580		821	

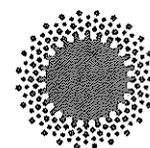
Where your members are not covered for these rates we may charge them an out-of-pocket fee. As per our requirements regarding Informed Financial Consent, we will advise them accordingly of any out-of-pocket fees that they will be required to pay.

If you have any questions or require further information please do not hesitate to contact Catherine Graham on 8345 2930.

Yours sincerely

  
Zak Gruevski  
Executive Director  
Finance & Corporate Services

6<sup>th</sup> February 2018



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Dear Sir/Madam,

**RE: Increase of fees for private patients 12 February 2018 – The Royal Women's Hospital**

As a public hospital, we have traditionally been informed by the Department of Health and Human Services of the accommodation fees to be charged to private patients. In recognition of the increasing cost of providing services to private patients, for 2017/18 the Department has advised that health services are "able to make their own determination on accommodation fees to be charged to private patients who receive treatment at their campuses".

Accordingly, to reflect our costs as a specialist tertiary hospital recognised for the quality of care that it delivers across its specialities, The Royal Women's Hospital has adopted a new schedule of fees that reflects the quality of services that your members will receive:

Patient Classification	Length of Stay	Fees per day (\$) 2016/17		Fees per day (\$) 2017/18	
		Shared	Single	Shared	Single
Advanced Surgical	1-14 days	823	965	972	1,038
	15+ days	821	870	827	876
Surgical	1-14 days	821	965	942	1,008
	15+ days	708	870	714	876
Obstetric	0-2 days (non-refundable)	1,642	1,930	1,650	1,946
	3-14 days	821	965	825	973
	15+ days	708	870	714	876
Medical	1-14 days	788	810	795	815
	15+ days	720	775	726	800
Day Surgery/Day Admissions	0 days				
	Band 1 no anaesthetic	336/468		341/468	
	Band 2 local anaesthetic	392		398	
	Band 3 anaesthetic theatre < 1 hour	590/691		698	
	Band 4 anaesthetic theatre > 1 hour	821		942	

Where your members are not covered for these rates we may charge them an out-of-pocket fee. As per our requirements regarding Informed Financial Consent, we will advise them accordingly of any out-of-pocket fees that they will be required to pay.

If you have any questions or require further information please do not hesitate to contact Catherine Graham on 8345 2930.

Yours faithfully,

Zak Gruevski  
Executive Director, Finance & Corporate Services



21 October 2019

Dear Sir/Madam,

**RE: Increase of fees for private patients 1 November 2019 – The Royal Women's Hospital**

The Department of Health and Human Services of Victoria advises its health services each year that they "can make their own determination on accommodation fees to be charged to private patients who receive treatment at their campuses". In addition, health services are asked to "note analysis by the department which shows that the actual cost of providing accommodation to private patients is significantly higher than the Commonwealth's minimum benefits."

Accordingly, to reflect our costs as a specialist tertiary hospital recognised for the quality of care that it delivers across its specialities, The Royal Women's Hospital has adopted a new schedule of fees that reflects the quality of services that your members will receive.

Patient Classification	Length of Stay	Fees per day (\$) 2018/19		Fees per day (\$) 2019/20	
		Shared	Single	Shared	Single
Advanced Surgical	1-14 days	972	1,038	1,300	1,433
	15+ days	827	876	847	937
Surgical	1-14 days	942	1,008	1,300	1,401
	15+ days	714	876	734	937
Obstetric	0-2 days (non-refundable)	1,650	1,946	1,752	2,028
	3-14 days	825	973	876	1,014
	15+ days	714	876	734	913
Private Midwife	0-2 days (non-refundable)			1,300	1,946
	3-14 days	N/A	N/A	650	973
	15+ days			594	876
Medical	1-14 days	795	815	822	855
	15+ days	726	800	734	808
Day Surgery/Day Admissions	0 days				
	Band 1 no anaesthetic	341/468		360/468	
	Band 2 local anaesthetic	398	N/A	430	N/A
	Band 3 anaesthetic theatre < 1 hour	698		753	
Band 4 anaesthetic theatre > 1 hour	942		1,300		



the women's  
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Where your members are not covered for these rates we may charge them an out-of-pocket fee. As per our requirements regarding Informed Financial Consent, we will advise them accordingly of any out-of-pocket fees that they will be required to pay. If you have any questions or require further information please do not hesitate to contact Catherine Graham on (03) 8345 2930.

Yours faithfully

**Sam Garrasi**  
Chief Financial Officer