

## MEDIA RELEASE:

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21.03.2018

### **Big public hospital fee hikes and aggressive recruitment strategies are hurting the hip pockets of consumers**

“The Victorian Royal Women’s Hospital has hiked accommodation costs for private patients by up to 18%, despite COAG seeking to increase public hospital funding by around 6.5%,” Matthew Koce, CEO of Members Health said today.

“The price hikes announced by the Royal Women’s Hospital are just another in a series of announcements over the past five years which have seen prices for some room categories increase by well over 100%”.

“While health fund premium announcements are put under the microscope every year, hospitals such as the Royal Woman’s appear to have been furiously targeting private patients with aggressive accommodation cost hikes.”

Over the past five years, ‘Advanced Surgical’, ‘Surgical’, ‘Obstetric’, ‘Medical’ and ‘Day Surgery’ room categories have all experienced double digit increases ranging from nearly 25% to over 150%.

“In terms of real money this targeting of private patients may in some circumstances represent cost increases to consumers for their hospital stay of over \$500 and \$600 for some accommodation categories.”

“It is outrageous that while health funds are working hard to relieve the cost pressure on consumers, recently achieving the lowest increase in 17 years, some public hospitals appear to view private patients as cash cows to be taken advantage of.”

“What we are seeing is an example of blatant cost shifting from the State Government run public hospitals to the Commonwealth and to those with private health cover.”

“Those with private health cover may end up paying three times, firstly through their taxes, secondly through their health insurance premiums and thirdly through medical out of pocket costs.”

“While health funds achieved an average premium increase of just 3.95 percent, the lowest increase in 17 years, it is disappointing that some State run hospitals are cynically targeting the hip pockets of those who have chosen to take personal responsibility for their healthcare needs.”

“A recent report by the Australian Institute of Health and Welfare (AIHW) revealed that in 2015-16 privately insured patients generally experienced around half the wait time for elective surgery as non-insured patients in Public Hospitals.”

“While Public Hospitals aggressively recruit private patients the growth in public hospital waiting lists for elective surgery continues, with the national medium waiting time for elective surgery increasing by more than a third since 2001-2002.”

“All the evidence points to an alarming pattern of behavior, with public hospitals implementing aggressive strategies sanctioned by the Victorian Government through the Department of Health to pressure more patients to use their health insurance. This is adding over 1 billion dollar every year to

### **Putting members’ health before profit**

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the cost of health insurance premiums and unfairly pushes those without insurance cover further down the waiting list for treatment.

It is extraordinary that public hospitals are now adding \$1.1 Billion to the cost of private health insurance premiums every single year. That is simply not sustainable and it is not fair.

“Health funds are regularly receiving complaints that public hospitals are aggressively pressuring sick and vulnerable patients to use their private health cover.”

“Just before Christmas, a 90 year old, discharged public hospital patient, contacted a not-for-profit health fund to report being aggressively pursued to use his health insurance. This gentleman was almost in tears.”

“Many public hospitals are awash with ‘recruitment’ staff, signage and literature pressuring and intimidating private patients to use their insurance for procedures which should be provided for free.”

“Treating private patients as ‘cash cows’ is unfairly hurting the hip pockets of more than 13.5 million consumers with health insurance cover and appears to be encouraging the formation of a two tiered health system.”

“The apparent prioritisation of insured patients in Public Hospitals is likely driven by a need to prevent them from going to a privately run hospital. What we don’t want to see is the evolution of a two tiered public health system that puts those who can pay to the front of the line and those who can’t afford to pay, to the back.”

The most recent COAG Hospital funding Agreement, already signed by the Prime Minister of Australia, Premier of New South Wales and the Premier of Western Australia highlights growing concern among senior ranks of the Government. The COAG agreement specifically refers to private patients in public hospitals, committing signatories:

*...to ensure the information and process for patients electing to use private health insurance in public hospital emergency departments is appropriate, robust and best supports consumer choice.*

“Members Health congratulates 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, recent behavior suggests we have a long way to go if this issue is to be properly addressed.”

“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 funds are all not-for-profit, member owned and community based. They only exist to serve their policyholders and return around 90 cents in every premium dollar paid, back to consumers as benefits.”

*Members Health is the peak industry body for 23 health insurers which are not-for-profit, member-owned and community based. In all, the Members Health funds provide private health insurance to over 1.7 million Australians.*

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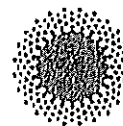
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SUMMARY ANALYSIS OF ROYAL WOMENS HOSPITAL ROOM PRICE INCREASES 2012-13 TO 2017-18					
Patient Classification	Length of Stay	Fee per day increase over 5 years (total %)		Fee per day increase over 5 years (total \$)	
		Shared	Single	Shared	Single
<b>Advanced Surgical</b>	<b>1-14 days</b>	153.12%	37.85%	\$588	\$285
	<b>15+ days</b>	210.9%	56.4%	\$606	\$316
<b>Surgical</b>	<b>1-14 days</b>	164.6%	41%	\$586	\$293
	<b>15+ days</b>	168.4%	56.42%	\$448	\$316
<b>Obstetric</b>	<b>0-2 days</b>	25.9%*	29%*	\$340*	\$435*
	<b>3-14 days</b>	28.9%**	32.7%**	\$185**	\$240*
	<b>15+ days</b>	24.4%**	52.6%**	\$140**	\$302**
<b>Medical</b>	<b>1-14 days</b>	157.28%	29.57%	\$486	\$186
	<b>15+ days</b>	173%	42.86%	\$460	\$240
<b>Day Surgery/ Day Admissions</b>	<b>Band 1 no anaesthetic</b>	51.55% - 108%	N/A	\$116-243	N/A
	<b>Band 2 local anaesthetic</b>	49.62%		\$132	
	<b>Band 3 anaesthetic theatre &lt;1 hour</b>	125.16%		\$388	
	<b>Band 3 anaesthetic theatre &gt;1 hour</b>	164.60%		\$586	
*Comparable data only available over 3 years (2014/15 – 2017/18) **Comparable data only available over 4 years (2013/14 – 2017/18)					

### Putting members' health before profit

9 August 2013



the women's  
the royal women's hospital

ABN 62 787 822 077

Locked Bag 300  
Cnr Grattan St & Flemington Rd  
Parkville VIC 3052 Australia  
Tel + 61 3 8345 2000  
www.thewomens.org.au

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



the women's  
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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



the women's  
the royal women's hospital

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Cnr Grattan St & Flemington Rd  
Parkville VIC 3052 Australia

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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.

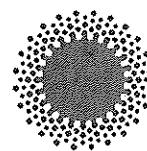
If you have any questions or require further information please do not hesitate to contact Catherine Graham on 8345 2930.

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

## Placard located in reception area of Sunshine Coast Hospital



Note the assertion that private health polders may be able to receive the following benefits:

- *No out of pocket expenses for hospital accommodation*
- *Discounting of private health insurance policy excess and/ or co-payment at our facilities*
- *Single room provided where possible*

Note also the second set of dot points contained on the placard:

*Each time you use private health insurance, you assist the health service to:*

- *Improve and expand patients services*
- *Maintain our facilities*
- *Fund medical research*

Federal Government discussion paper on private patients in public hospitals can be found [here](#):

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