

MEMBERS HEALTH FUND ALLIANCE

INITIAL SUBMISSION ON THE PROPOSED RELAXATION OF RESTRICTIONS ON ELECTIVE SURGERY

Members Health is pleased to comment on the proposed relaxation of elective surgery restrictions. At the outset, we would like to stress that any decision regarding the relaxation of restrictions must give primary regard to the safety of patients and health care workers.

The COVID-19 pandemic has brought with it unprecedented challenges, chief among those the need to deploy Australia's finite health resources as efficiently as possible. However, we have equally been encouraged by the level of innovation seen in both the public and private health systems in delivering services remotely through telehealth.

By way of background, Members Health Fund Alliance (Members Health) is the peak industry body for 27 health insurers that are not for profit or part of a not-for-profit group. As a group, the Members Health funds cover over 3.7 million lives.

Importance of elective surgery to the public interest

The health and quality of life for many thousands of Australians is being severely impacted by restrictions placed on elective surgery.

Common examples of elective surgeries that are being delayed include knee reconstructions, gynaecological procedures, removing skin lesions and cataract surgery.

Health insurers are particularly concerned that due to delayed treatment, consumers are experiencing:

- Debilitating pain from conditions such as bone on bone joint pain
- Growing dependence on pain killers such as opioids to manage pain
- Greater risk of complications, increased complexity and risk of emergency admission resulting from delayed treatment
- The risk of delayed surgery impacting recovery and long term health outcomes
- Adverse mental health, triggered by delayed treatment and uncertainty
- Greater risk of accident, deterioration in physical health and loss of independence due to poor mobility, vision loss, pain etc.

Mitigation of COVID-19 risk

Members Health recognises that the risk of localised virus hot spots remains, community transmission is low, overall cases are declining sharply and many communities appear clear of the virus. However, to further mitigate against the COVID-19 risk, we suggest consideration of:

- Screening and testing all patients as part of the surgical pre-admission process; and,
- Until rapid-response testing has been developed, include a mandatory period of 14 days home quarantine prior to admission; and,
- Explore the development of a set of criteria to allow a phased return of elective surgery, particularly within states and regions where there is a low incidence of COVID-19.

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Availability of Personal Protective Equipment (PPE)

In the interests of patient and health care worker safety, the availability of PPE for both public and private hospitals must be guaranteed before elective surgery restrictions can be relaxed.

Members Health supports the call by the Australian Private Hospital Association that private hospitals be given access to State or Commonwealth PPE stockpiles of PPE until supply chains return to normal.

Equity of access for public and private patients is essential

Any easing of surgical restrictions must not disadvantage privately insured consumers or public patients.

Consumers with private health cover must be guaranteed their continued rights around exercising choice of doctor and treatment in either the public or private health settings.

Funding by the Commonwealth through the FVP must be carefully monitored to ensure it does not give rise to unintended consequences that disadvantages private or public patients and retains consumer choice.

Ongoing sustainability of the private health sector

Private health insurance underpins the financial viability of the entire private health system.

During the [December 2019 quarter](#), insurers paid \$4,130 million in hospital treatment benefits. [Around 2.3 million people are admitted to hospital for surgery each year](#), with over 40% of all procedures occurring in private hospitals, including 2 out of every 3 procedures involving elective surgery.

According to the Commonwealth Fund, Australia's uniquely mixed public and private health system achieves the best health outcomes in the world. We are deeply concerned that this achievement is being placed in jeopardy due to the financial hardship that restrictions on elective surgery are placing on clinicians and private hospitals.

Health Care System Performance Rankings, Commonwealth Fund

	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
Health Care Outcomes	1	9	5	8	6	7	3	2	4	10	11

<https://www.commonwealthfund.org/chart/2017/health-care-system-performance-rankings>

Current restrictions on elective surgery are not sustainable. Clinicians, public hospitals, private hospitals and private health insurance are all part of the same ecosystem and are co-dependent on each other. Indeed, many clinicians work in both public and private hospitals.

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If restrictions on elective surgery continue, then there is a very strong likelihood that many clinicians will be forced to close their practices. Likewise, the FVP alone is unlikely to sufficiently underpin the ongoing sustainable viability of many private hospitals, which risk closure and may never recover – putting at risk the jobs of countless nurses, surgeons and administrators.

Private patients take pressure off public hospitals, freeing up beds for those that need the most. Therefore any deterioration of the private health system will have serious ramifications for public hospital wait times and performance.

We note that prior to the pandemic, wait times for elective surgery in the public system were growing rapidly. In 2018-19, almost 900,000 Australians were added to public hospital waiting lists. For many patients, waiting times in the public health system can extend well beyond a year for some surgeries.

Public hospital waiting time for elective surgery 2014–15 to 2018–19

	2014-15	2015-16	2016-17	2017-18	2018-19
Days waited at the 50th percentile	35	37	38	40	41
Days waited at the 90th percentile	253	260	258	268	279
Percentage waited more than 365 days	1.8	2.0	1.7	1.8	2.1

AIHW Elective surgery waiting times 2018–19 Supplementary Data Tables T4.1

Public Hospital waiting times for elective surgery 2014-15 to 2018-19: Spotlight on surgical specialities

	2014-15	2015-16	2016-17	2017-18	2018-19
Otolaryngology, head and neck surgery					
Days waited at the 50th percentile	73	74	70	83	84
Days waited at the 90th percentile	347	345	345	354	357
Percentage waited more than 365 days	4.8	4.5	4.3	5.2	6.5
Ophthalmology surgery					
Days waited at the 50th percentile	70	78	73	74	73
Days waited at the 90th percentile	325	328	326	329	334
Percentage waited more than 365 days	1.9	2.4	1.6	2.0	2.6
Orthopaedic surgery					
Days waited at the 50th percentile	64	67	69	73	77
Days waited at the 90th percentile	329	333	330	333	339
Percentage waited more than 365 days	3.3	3.8	3.3	3.6	4.0

AIHW Elective surgery waiting times 2018–19 Supplementary Data Tables T4.4

Given the postponement of all but the most urgently categories of elective surgery and the financial impact of the COVID-19 pandemic on State Government finances, public hospital waiting time are expected to balloon much further post COVID-19. For surgical specialities such as head and neck surgery the wait time blowout could extend to at least two years.

Maintaining a strong, viable and highly efficient private health system will be imperative to taking pressure off the overstretched public health system, addressing the growing backlog of patients requiring surgery and ensuring consumers receive timely and high quality care.

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Conclusion

The alliance of Members Health funds operate under the mutuality ethos and therefore exist only to serve the health needs of consumers. We are supportive of a diverse and competitive private health industry that places the consumer at the centre and provides them with choice.

In the interests of ensuring the continued ongoing viability of Australia's world leading mixed public and private health system, we strongly encourage the establishment of a consistent set of criteria to facilitate risk mitigation so that elective surgery in the private health system can safely resume as soon as possible.

The last thing consumers would want is for Australia to go down the path of the United Kingdom. In the United Kingdom 4.4 million people were waiting for elective surgery last year because their private health system had been allowed to deteriorate to the point where it is no longer a viable option for any but a very select few.

Yours sincerely



Matthew Koce

CEO, Members Health Fund Alliance