



24 September 2018

MEDIA RELEASE

SURGEONS WARN OF DEVIL IN THE DETAIL OF PROPOSED PRIVATE HEALTHCARE REFORMS

The rush to finalise the Federal Government's private healthcare reforms risks perpetuating many of the problems of the present private health insurance system, the Spine Society of Australia (SSA) warned today.

SSA President Dr Michael Johnson said the reform process does not appear to be consumer focused, and the input from medical professionals during the design process has been limited.

"It seems to be more about what insurers are prepared to provide within certain actuarial constraints, rather than what patients with private health cover require," Dr Johnson said.

"This process was driven by a Steering Committee predominantly drawn from the 'money' side of private health. It wasn't until 18 months after beginning the process that the opinion of our profession was sought, with a two-week turnaround placed on submissions that needed complex consideration."

Dr Johnson said some issues had been addressed following the initial consultation round and an independent review of clinical categories by Laureate Professor Nick Talley has been performed. Many more concerning issues remained unresolved.

"In the latest iteration of the clinical categories, we have spinal fusion for scoliosis and kyphosis being moved into the category for back, neck and spine treatments in Bronze and Silver cover, while other spinal fusion treatments remain with joint replacements and only available in Gold cover," he said.

"There appears to be a misconception that the use of spinal fusion surgery is primarily related to the treatment of low back pain, whereas the reality is that this is a very minor component of its usage. The vast majority of spinal fusions are performed as a component of more complex surgery for neural or spinal cord compression, spinal fractures, deformity, malignancy, infection etc."

Dr Johnson warned that many private patients without "Gold" insurance would only discover they were inadequately insured when they reached the stage where surgery was the required treatment for their spinal problem.

"An example of this is nerve compression in the neck, known as cervical radiculopathy, which leads to pain and often upper limb weakness," he said.

"The two most common surgical treatments of this condition are anterior cervical decompression and fusion (ACDF) and cervical total disc replacement (TDR), although it is also possible to release

the nerve from the back of the neck (posterior decompression) in some cases. ACDF and cervical TDR are very reliable operations with short hospital stays and a low level of complications.

“Under the proposed Clinical Categories, patients with Silver cover will only be covered for a posterior cervical decompression to treat this problem. In most cases, this is an inferior option as the dissection of the paraspinal muscles leads to increased pain, higher infection rates and a longer hospital stay.”

According to the SSA, this example highlights the risk that splitting the cover for spinal surgery across two insurance categories will lead to inferior treatment.

“Patients who think they have cover for their spine under their Silver cover, will discover that they have to choose between paying for the surgery themselves, upgrading to Gold cover and waiting 12 months for their surgery, or joining the queue on the public hospital waiting list. None of these options help the patient get better, get back to work or get on with their lives”, Dr Johnson said.

The Society is also concerned that the Clinical Categories are linked to the present MBS Spine Surgery schedule which is due to be superseded in November 2018. Whilst the new schedule is vastly superior to the present schedule, it is based on the surgery actually performed, not the diagnosis.

“But the Clinical Categories proposed by the Government are based on the diagnosis not the procedure. In effect this will make the Clinical Categories virtually unworkable as it currently stands.”

“In the future, we will see health insurers getting a bill and they will be uncertain as to whether the patient had spine surgery for scoliosis, fracture or cancer for example,” Dr Johnson said.

“It leaves the door open for insurance clerks to decide after the fact if a procedure was appropriate and warranted coverage, setting a dangerous precedent.”

Dr Johnson urged consumers being promised health insurance premium savings by changing to new policies to proceed with extreme caution and consider the bigger picture.

“The Spine Society supports efforts to reduce policy variation and make health insurance easier for patients to understand; however, the proposed reforms will continue to leave patients open to nasty surprises about their coverage when medical treatment is required,” he said.

“I suspect most people do not understand the details of their actuarial risk or the complexities and variability of disease and medical treatment. This makes the decision about choosing policies that rely on exclusions a major gamble.

“But it is clear from the Clinical Categories that the insurers do understand the patient’s actuarial risk. The odds of a fair outcome seem stacked against our patients at this point. Knowledge is power and there is a gross mismatch between what the average patient understands about their likelihood to need cover for certain conditions in the future and the data held by private health insurers.

“Insurance is meant to protect people against unaffordable financial risk, but with the present model the opposite is occurring. Patients with non-Gold insurance will only be covered for cheaper medical

problems and be excluded from resource intensive problems like spinal fusion. Patients who can't afford to increase their cover to Gold or pay for the surgery themselves, will be forced into the public system. The result will be an enormous cost shift from the private health system to the state run public system."

The Spine Society of Australia is urging the Federal Government not to rush or rubber stamp these reforms. It warns changes to the way spinal surgery is covered require urgent and careful collaboration with the specialists who work in the field, otherwise a sub-optimal reform will occur.

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