



Private Health Insurance Intermediaries Association Inc

# Newsletter

## December 2014

### From the Chairman

Christmas greetings to all members. May I wish you and your families a restive and peaceful Xmas and a terrific New Year.

2014 has been an eventful year for your association:

- It witnessed the passing of both the President and CEO. Both Peter Sasson and Peter Kerestes will be sadly missed. Their contribution to PHIIA was considerable.
- Government policy in health has been overshadowed by the inability to process budget measures.
- With PHIO and PHIAC disappearing in their present form greater responsibility will fall on our industry to provide leadership. With PHIAC being assimilated into APRA and ACCC this is a clear signal for our association to encourage and apply appropriate governance models for our membership.
- Our Code of Conduct has refreshed and updated to reflect changes in legislation. Our thanks to Wayne Cooper for his input and guidance in the process.
- The Board appointed David Wright as CEO in 4<sup>th</sup> Quarter, and we welcome him to the role.
- As the festive season approaches and a new year is about to begin, I would like to thank the Board for their work during the year on behalf of members and wish you all the very best for a restful and peaceful break.

### From the CEO

Firstly let me say I am delighted and honoured to take on the role of CEO of PHIIA. May I also wish you the compliments of the season

Over the coming months I will be meeting with as many members as possible and also setting up meetings with key stakeholders in both government and industry.

Please note our new letterhead which incorporates our address and contact details:



Private Health Insurance Intermediaries Association Inc

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We are currently putting the finishing touches on the refresh of the Code of Conduct. The following documents have been updated and will be uploaded to the website by year end. They are being desktop published at the moment.

- PHII Code of Conduct
- PHII Self Audit Guide
- PHII Self Audit Questionnaire
- PHII Practice Codes

The new look documents will be circulated all members and key stakeholders early in the New Year and all new member applications will receive copies accordingly.



At the AGM held on the 20<sup>th</sup> November 2014 the following office bearers were elected to the Associations Board.

Chairman	David Miller
Deputy Chairman	Andrew Merrilees
Secretary	Anthony Huxley
Treasurer	Matthew Cuming
Board Members	Carmine Cocca
	Andrew Davis
	Julie Ryburn

We are in the process of transferring our bank accounts from ANZ to the CBA for ease of operation.

May I remind any members who have outstanding membership fees to finalise at their earliest. If you have any questions please contact me if you require re-invoicing.

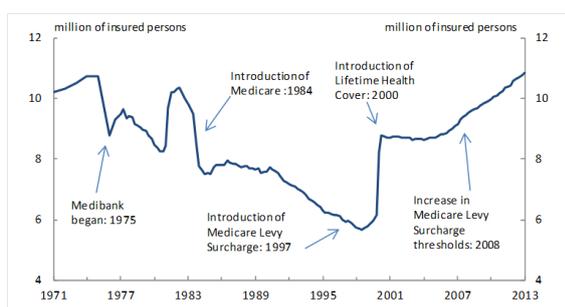
## Health Reform in Australia.

Since the Federal election there has been considerable activity in the health sector.

Issues for consideration:

- The Medibank private float which raised \$5.679 billion with 100% of shares sold. Medibank Private was listed on the ASX on the 25<sup>th</sup> November.
- In the 2014-2015 budget, the Federal Government announced the establishment of Primary Health Networks (PHNs). “The PHNs will be established with the key objectives of increasing efficiency and effectiveness of medical services for patients, particularly those at risk of poor health outcomes and improving coordination of care to ensure patients receive the right care in the right place at the right time.” PHNs will take the place of Medicare Locals and be aligned with Local Hospital Networks as close as possible. A tendering process is currently underway and will close on the 27<sup>th</sup> January 2014. It is believed that there are many groups from the private sector that are involved/or potentially involved in the tendering for one or more PHNs. For more information: [www.health.gov.au/internet/main/publishing.nsf/content/primary\\_health\\_networks#news](http://www.health.gov.au/internet/main/publishing.nsf/content/primary_health_networks#news)
- The National Audit Commission Report recognises the importance of the role of the private sector in building a robust and sustainable health care system.

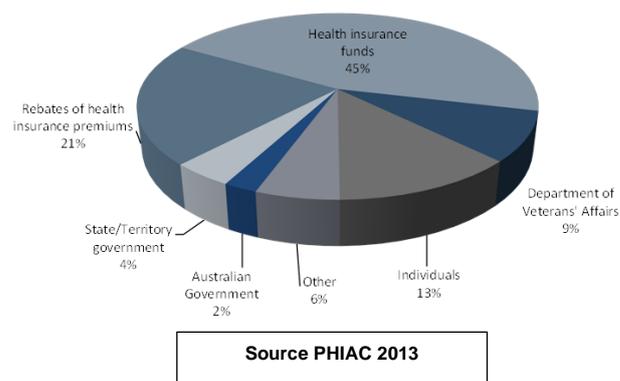
*“The combination of demographic trends, income growth and new technologies means that the demand for health care in Australia will increase strongly”*



Source PHIA 2013

<http://www.ncoa.gov.au/report/appendix-vol-1/9-3-pathway-to-reforming-health-care.html>

It is recommended that PHIA members read in detail the NAC Report as the underlying message that all forms of government and the community will need to face is to make reforms to healthcare that are sustainable.



Source PHIA 2013

The NAC advocated for a co-payment and the Federal Government has been trying to implement. With the reduction in MBS payment to GPs there is a growing momentum for PHI to cross the barrier into ambulatory care. “Watch that space!”

There is a move towards PHI paying a more proactive role in prevention rather than being passive players. The only space where this could effectively happen is outside of hospitals.

There is a concerted need to reform the MBS and the PBS, the future sustainability is being challenged.

There are many professional groups as well as the Federal Government who are taking a long hard look at some of the ineffective practices. Research has shown that of almost 6000 MBS items around 3% have been formally assessed against contemporary evidence of safety, effectiveness and cost-effectiveness

The private sector has a major role to play in driving efficiencies in the health system and PHI given the opportunity based on prospective incentive methodologies rather than retrospective payments could be a model. This requires leadership, and a better understanding and education of the community as to the need for change.

### ACCC Report to Senate on PHI

PHIA will be providing a submission to the ACCC by 30<sup>th</sup> Jan 2015 based on the following:

*“the ACCC provides an annual assessment to the Senate of any anti-competitive or other practices by health funds or providers which reduce the extent of health cover for consumers and increase their out-of-pocket medical or other expenses”.*

For further information on Association activities, Membership applications, suggestions or questions, please contact: PHIA CEO David J Wright

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