

Submission to Royal Commission into the Banking and Finance Sector

Dr Arthur Chesterfield-Evans M.B.,B.S., F.R.C.S.(Eng.), M.Appl.Sci.(OHS), M.Pol.Sci.

Appendix 2

A 2 Week Diary of Prevalence of Insurer Treatment Denials

The second appendix was a two-week survey of patients seen to answer the question as to how many denials of treatment there are in a sample of our work.

We have quite a number of ethnic patients because of our reputation within the Korean community, and quite a number of referrals from solicitors, there may be a bias on ethnic basis, or a bias against solicitors on behalf of insurers. Other GPs also refer to us as they do not want to do WC or CTP. However, it should not matter what ethnicity a patient has, nor which solicitor. Medicare and normal private health insurers are obliged to pay for treatments that doctors order. This is in no way the case with CTP and WC as can be seen in the table below. GP Treatments as ordered are only carried out in 40% of WC cases and 13% of CTP cases. Insurers deny some aspect of treatments in 60% of WC and 87% of CTP, with the variations between insurers as shown below.

I am unaware of any comparable statistics from a regulator or consumer body. These statistics are a small sample but are certainly an accurate representation of our practice, and we have no reason to believe that other doctors have different experiences.

This is a sample of 2 weeks cases in my practice. All were insurance cases except 9 Medicare cases that are omitted:

Insurer	WC Cases	WC Prob	WC No Prob	% Problem	CTP Cases	CTP Prob	CTP No Prob	% Problem	Total % problem
NRMA					14	13	1	83%	13/14=92%
Allianz	10	4	6	40%	13	11	2	85%	14/23=65%
QBE	1	1	0	100%	5	5	0	100%	6/6 =100%
GIO	8	6	2	75%	6	5	1	83%	11/14=83%
EML	4	2	2	75%					3/4=75%
Qantas	1	1	0	100%					1/1 =100%
Wesfarmers	1	1	0	100%					1/1 = 100%
AAMI					1	0	1	0%	0/1=0%
Totals	25	15	10	15/25=60%	39	34	5	34/39=87%	49/64=76%

The conclusion is that insurers rather than being a funding agent are very aggressive in interfering in the treatments given to WC and CTP patients. In that the difference is refusals of treatments, and that most of these treatments or investigations are needed, it is merely cost-shifting and the insurance system in this case is in no way cost-effective.