



UROLOGICAL SOCIETY
OF AUSTRALIA
AND NEW ZEALAND



Australian and New Zealand Association of Urological Surgeons

MEDIA RELEASE – 13 July, 2021

Urologists reject proposed US-style ‘managed care’ proposal for Australian health system

The Urological Society of Australia and New Zealand (USANZ) and the Australian and New Zealand Association of Urological Surgeons (ANZAUS) are strongly opposed to the proposal in the recent draft determination by the Australian Competition and Consumer Commission (ACCC) to authorise Honeysuckle Health (US managed care corporation Cigna and private insurer NIB) to form a health services buying group over the next 5 years.

The USANZ/ ANZAUS position is aligned with that of the Royal Australasian College of Surgeons (RACS) and the Australian Medical Association (AMA) in recognising the significant detrimental effects that this proposal will have on the current blended (public and private) system of healthcare in Australia.

The proposed excessive market share to be held by Honeysuckle Health would result in a coercive relationship with hospitals and medical practitioners in determining contracts and an anti-competitive environment of health insurance and health care.

This managed care proposal is not in the public’s interests. As in the US it would produce far-reaching effects on patient care in Australia. The effects of the managed care model adopted in the US has included:

- Restrictions in patient autonomy including choice of treating doctors and hospitals;
- Reduced patient access to timely care with need for pre-authorisation of admissions, procedures and tests based on insurance policy rather than clinical indication;
- Insurance companies dictating clinical decision-making and patient services rather than by the shared decision-making and multi-disciplinary process which currently occurs between patients and treating doctors in Australia;
- Reduced incentive to treat complex conditions in the private system with increased burden on the public health system.

The effects of a managed care style health model in the US has been overwhelming and devastating for patients, health professionals and institutions. These include:

- Worse health and health care outcomes in the US compared to Australia as seen in the most recent OECD (Organisation for Economic Cooperation and Development) data;
- Higher costs in per capita health-related spending compared to Australia with worse outcomes;
- Increased need for administrative staff in medical practices to negotiate the complexities of managed care health insurance contracts;
- Increased burnout amongst doctors due to the increased administrative burden and loss of autonomy.

These proposals come at a time when the cost of private healthcare has escalated with the motivation for managed care buying groups being to maximise profits and returns to shareholders at the cost of patient care and choice, while also increasing restrictions on health providers with loss of clinical autonomy.

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The Urological Society of Australia and New Zealand is the peak professional body for urological surgeons in Australia and New Zealand. Urologists are surgeons who treat men, women and children with problems involving the kidney, bladder, prostate and male reproductive organs. These conditions include cancer, stones, infection, incontinence, sexual dysfunction and pelvic floor problems.