

To whom it may concern.

Please find below my submission

I would like to bring to the attention of the Committee the activities of Western Australian Health fund named Hospital Benefits Fund of WA. HBF have about 72% of the private health insurance market in WA

I am a HBF contributor and have been for over 30 years and have been informed of some changes to my ancillary cover which disturbs me greatly.

I am a dentist and have been informed by HBF that they are changing their dental ancillary rebate scheme effective from 1st January 2005. I have a number of concerns -

1. I have **not** been informed by HBF as a contributor, but as a dentist, who received the information last week. As stated, the scheme is to be implemented 1st January 2005. I have been told that contributors will be informed 1st May 2005. I take objection to this and would have thought that as a contributor I would have been informed as a priority.

2. The scheme erodes my patient's freedom of choice as being their preferred dentist, I am not a participating provider (PP), and as such my patient's rebates by HBF will be significantly less. HBF are asking I sign an agreement to charge fees that are supposed to be based upon my normal fee schedule from over 6 months ago and which contain many inherent errors. This schedule is about 70% of my normal and customary fees. HBF intend to send or provide a list of PPs to contributors. The contributors who attend PP's will get substantially higher rebates than if they attended a non-PP dentist. Is this not some form of discrimination?

I personally have attended the same dentist for over 20 years and am disgusted that if I attend some unknown to me PP I will receive substantially higher rebates than from my own dentist who I trust implicitly. All of my family including brothers, sister and parents as well as their families have attended this same dentist and all are extremely happy with his services. Why should we have to change? Why can't the HBF just offer the higher rebate to all contributors and not just to those contributors who attend the PP that HBF have agreed to accept?

3. The new scheme is based on a percentage ie 60,70 or 80% of the PP HBF schedule fee depending upon which table you are on. I am in the highest table. If I attend my trusted and usual dentist I will only get about 50-55% rebate instead of the 80%. Is this fair? Why am I being penalised for attending my dentist of choice?

4. Some of the procedures that I would expect to perform periodically are not included in this profile from HBF and if I were a PP my patients would not get a rebate without a clearance from HBF to proceed before I actually carried out the service. The same would apply for a new item number. Is this wrong for HBF to be determining what treatments can be carried out? I also runs after-hours surgery and if I were a PP how would I get these clearances? This is managed care where a health fund is dictating what procedures can indeed be performed.

5. An issue that has dawned upon me is how I would even know what table my patients are on or whether they are even entitled to rebates? If I agreed to be a PP I am locked into a fixed fee with HBF, but would and am entitled to charge my normal fees to non-HBF contributors. If I charged a HBF contributor my normal fee, then the rebate would be the old lower rebate as I have not charged the HBF schedule fee and would risk being unacceptable provider to HBF. Is this discriminatory and fee fixing by HBF?

6 My understanding was that significant changes such as this had to have some sort of Ministerial approval. Is this correct? I do not recall such notice in the press or any announcements from HBF. I received a mail out from HBF on 9th December 2004 informing me of the Member Saver Programme but nothing about this scheme.

7. Do HBF have a right to change the scheme midway through my contract with them as I pay my premiums either 6 or 3 monthly?

8. I believe HBF have quite deliberately not given contributors or providers much time before they implement this scheme to create panic and fear to force providers to sign up..

I am most concerned about this scheme and would appreciate this behaviour by HBF being the basis for a submission to the Productivity Council

I am happy to get more information and details of the scheme if you require them. !

yours sincerely

Terry Pitsikas