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Breast
Cancer
Network
Australia



Submission to the Private Health Insurance Consultation

November 2015

About BCNA

Breast Cancer Network Australia (BCNA) is the peak national consumer organisation for Australians personally affected by breast cancer, and consists of a network of more than 110,000 individual members and over 300 cancer support groups across Australia. BCNA supports, informs, represents and connects people affected by breast cancer. BCNA works to ensure that Australians affected by breast cancer receive the very best support, information, treatment and care appropriate to their individual needs.

While the majority of our members are women, we acknowledge that 145 men are diagnosed with breast cancer every year. Our submission refers to women with breast cancer; however the implications are the same for men with breast cancer.

Submission

The emotional and financial stress of a breast cancer diagnosis is enormous. Even with full private medical insurance, the additional costs coupled with lack of income were very difficult. – Lorraine, BCNA member

As our submission will outline, the out-of-pocket costs for breast cancer treatment for Australians with private health insurance can be significant. Many people who are privately insured do not understand the potential financial disadvantage of being treated for cancer within the private health system.

Breast Cancer Network Australia is calling for change in three key areas that we believe will better support Australians diagnosed with breast cancer who have private health insurance and choose to have their treatment in the private health system:

- Measures to reduce the gaps in cover for listed items
- Radiotherapy treatment to be covered by private health insurance
- Improved transparency of private health insurance plans.

I cannot understand why the Government encourages us to take out private health insurance then financially penalises us when we use it. – BCNA MBS Review Survey participant

This submission has in part been informed by a survey BCNA conducted in October 2015 of women who have had a breast cancer diagnosis in the past five years. The survey was developed to inform our submission to the Australian Health Minister's Medicare Benefits Schedule (MBS) Review Taskforce, however many women raised issues relating to private health insurance in their responses. You will see some of their comments included in our submission.

At the end of our submission, we have included a case summary of a woman who was diagnosed with breast cancer while living in Canberra in 2013. She elected to have her treatment through the private health system in Sydney, using her private health insurance. Her out-of-pocket costs at the end of her active treatment (mastectomy with breast reconstruction, and chemotherapy) were more than \$11,000. She was about to start on five years of daily hormone therapy treatment when she provided us with her treatment costs.

Gaps in cover for listed items

There seems to be a perception that if you have private cover you can afford the enormous gaps. – BCNA MBS Review Survey participant

I was diagnosed with breast cancer in 2012. I have a good outcome, but financially it has been a great burden as I went through the private hospital system. Even though I have private health insurance, ... I have paid approximately \$9,000 over and above rebates. – Julie, BCNA member

We often hear from our members about high out-of-pocket costs for their breast cancer treatment, especially from women with private health insurance. They expect that after many years of paying private health insurance, often with few claims, their cancer treatment will be fully covered. They feel justifiably angry when they find there are substantial gaps in their health insurance cover when they do need to use it.

Out-of-pockets costs for breast reconstruction surgery are of particular concern to our members.

A 2010 survey of 261 women who used their private health insurance to cover their breast reconstruction surgery after mastectomy for breast cancer found that all but one had an out-of-pocket cost for their surgery.¹ The out-of-pocket costs ranged from less than \$500 (25 women) to more than \$15,000 (9 women). Forty per cent of women (105) paid more than \$5,000.

The out-of-pocket expenses (\$6,000-\$7,000) for this non-cosmetic procedure are simply unacceptable... My out-of-pocket expenses for the anaesthetic alone were \$1,400 - and my anaesthetist charged the AMA recommended fee. The only reason I could afford this surgery was because my husband had lost his job and had a small redundancy payout. ... I cannot describe how angry, frustrated and disillusioned I am with the private health system and how devastated I am at having every cent I ever had taken by medical costs. – BCNA Breast Reconstruction Survey participant

¹ Breast Cancer Network Australia (2010) *Breast Reconstruction Survey 2010 Report*

Potential out-of-pocket costs also preclude some women from having breast reconstruction surgery. In our survey, 28 per cent of respondents (39) said the cost of breast reconstruction surgery contributed to their decision not to have a reconstruction.

Going through private insurance was still too expensive. – BCNA Breast Reconstruction Survey participant

In 2014, BCNA surveyed 582 Australians living with secondary (metastatic) breast cancer on the financial cost of their diagnosis and treatment.² Sixty per cent (361) reported that their secondary breast cancer had resulted in some financial difficulty in the last week. For those in the private health system, out-of-pocket costs associated with their treatment was most often cited as a cause of financial difficulty (44%, 126). Women with private health insurance estimated their out-of-pocket costs in the previous month ranged from \$0 to \$25,000.

Breast cancer drugs not listed under the Pharmaceutical Benefits Scheme (PBS) accounted for the greatest out-of-pocket costs, with women reporting an average out-of-pocket cost of \$5,277. We are aware of women paying substantially more than this, however, when having to pay the full cost of new non-PBS listed breast cancer drugs (up to \$100,000) or when accessing new drugs through pharmaceutical companies' patient access programs. There is often a co-contribution payable to access these programs. Two such programs that operated in 2014 charged co-payments ranging from \$12,864 to \$21,687, an exorbitant amount for some women and their families to fund, particularly as these women had often already paid for previous treatments. While private health funds do provide rebates for non-PBS prescription drugs, the amounts payable are usually limited to a few hundred dollars and do not assist in these situations.

Radiotherapy treatment

The cost of radiotherapy if you are not a public patient, and the fact you cannot claim it on your private health cover [is an issue requiring BCNA advocacy]. – BCNA 2013 Member Survey 2013 participant

BCNA receives more complaints from women about the out-of-pocket cost of radiotherapy than for any other breast cancer treatment. Radiotherapy is a common treatment for women with breast cancer. As radiotherapy is provided as an outpatient procedure, private health funds do not cover this important, and sometimes expensive, treatment.

In a 2011 BCNA survey, women told us that radiotherapy treatment as a private patient is a considerable financial burden.³ Most out-of-pocket costs were between \$1,000 and \$2,000; however two women told us they were out-of-pocket around \$4,000. As treatments such as radiotherapy continue to increase in price, with no corresponding increase in Medicare rebates, out-of-pocket costs for this treatment continue to increase every year.

² Spence, D., Morstyn L., and Wells K. (2015) *The support and information needs of women with secondary breast cancer* (Breast Cancer Network Australia)

³ Breast Cancer Network Australia (2011). *Radiotherapy Skin Changes Survey Report, May 2011*.

Radiation was not [publically] available where I lived (nearest one 90kms away). Having to have it daily I opted for private radiation treatment as I weighed up the cost of travel against the cost of radiation. My out-of-pocket expense for this was \$4,000. – MBS Review survey participant

We are concerned that the proposed changes to the Medicare Safety Net, to take effect from 1 January 2016, will further increase out-of-pocket costs for radiotherapy.

While acknowledging that adding items to private health insurance schedules increases the overall cost of providing health insurance, BCNA strongly supports the inclusion of radiotherapy treatment for cancer patients on private health insurance schedules.

Because of the high out-of-pocket costs for radiotherapy in the private health system, BCNA sometimes advises women who are having their breast cancer treatment in the private system to consider having their radiotherapy treatment in the public system, where they will be bulk-billed. If a private health fund rebate was available for radiotherapy, more women may have their treatment privately, thus reducing the load on the public system.

Chemotherapy isn't a problem as it's an inpatient treatment, however radiotherapy is an outpatient procedure and private health insurance does not cover it. If I knew then what I know now, I would have gone to a public radiotherapy treatment centre. – BCNA MBS Review Survey participant

Transparency of private health insurance products

I am a single parent with two children. I have private health insurance, which is a huge cost in itself, but to my horror I found that the out-of-pocket costs in treating this disease can be quite huge, especially when there is no time to budget for it. This journey from diagnosis through all the treatment is exhausting and stressful and you cannot get off it if you want to continue to live. – Jenny, BCNA member

Often, women who have been paying for private health insurance do not realise that it might not cover all their treatment costs, or that their level of cover may not be sufficient to meet all their health care needs. Many women have complained to us about out-of-pocket costs for their breast cancer treatment, including for in-patient procedures such as surgery and chemotherapy. We are aware, for example, that under some plans, funds charge an excess every time a person is admitted to hospital. For women having breast cancer surgery (and sometimes follow up surgery) and then multiple chemotherapy treatments, these payments can quickly add up.

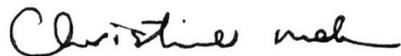
We have also heard from women requiring breast reconstruction that, while reconstruction is covered by their insurance, some types of reconstruction – particularly autologous reconstructions using a woman's own tissue – are not covered by all plans. So women have their discussions with their specialists and decide on the type of reconstruction that best suits them, only to then find that type of reconstruction is not covered by their private health insurance.

Our members have told us that their private health insurance policies are not clear to them, and they did not understand the full implications when taking out their insurance. They also complain that it is very difficult to compare policies if they are considering a change in their plan or provider.

Thank you for the opportunity to contribute to the Private Health Insurance Consultation.

Given the push by Australian governments to encourage Australians to take up private health insurance, systems need to be put in place to ensure that people having treatment through the private health system are not financially disadvantaged. We hope this will be an outcome of this Consultation.

For further information, please contact Kathy Wells on 03 9805 2562 or kwells@bcna.org.au.



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Case Study – Jan (ACT), diagnosed with breast cancer in 2013

I was diagnosed with breast cancer in both breasts on 17 December 2013. Because of significant delays in the public system in Canberra, I opted to have my treatment privately in Sydney. I have private health insurance. My costs to date are:

Item	Fee	Medicare rebate	Out-of-pocket cost
Specialists fees – breast cancer surgery	\$5,581.05	\$2,122.70	\$3,458.35
Plastic Surgeon – consultation	\$220.00	\$72.75	\$147.25
Plastic Surgeon – reconstruction surgery	\$3,969.00	\$1,232.05	\$2,736.95
Surgical Assistant	\$500.00	-	\$500.00
Hospital excess	\$500.00	-	\$500.00
Prescription medicines	\$104.20	-	\$104.20
GP consultation fees (total)	\$485.00	\$215.50	\$269.50
Scan/X-ray – Item 56807	\$635.00	\$483.80	\$151.20
Scan/X-ray – Item 170114	\$575.85	\$407.65	\$168.20
Oncotype DX test	\$4,050.00	-	\$4,050.00
Lymphoedema compression sleeve	\$100.00		\$100.00
Physiotherapy – six appointments	\$690.00		\$690.00
TOTAL	\$17,410.10	\$4,534.45	\$12,875.65
Less private health insurance rebates			-\$1,118.15
TOTAL			\$11,757.50

My next treatment will be hormone therapy, and I have been advised the costs will be:

- Letrozole tablets - \$36.90 per month for at least two years (\$885.60)
- Zolodex injections - \$346.90 per month for at least two years (\$8,325.60)
- Calcium and Vitamin D tablets for at least two years

I will have further breast reconstruction surgery later in the year, which will also attract a substantial gap.

My costs above do not include travel to and from Sydney, lengthy stays for my husband in hotel accommodation, and post-surgery bras (a total of 4 so far).

My husband and I are what you would call a middle-class family. Having such huge costs has severely impacted us. As well as the out-of-pocket expenses, my husband has had to have substantial time away from work resulting in a reduced family income.