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Senate Standing Committee on Community Affairs
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Re: Health Legislation Amendment (Improving Choice and Transparency for Private Health Consumers) Bill 2026

1. Introduction

The Royal Australasian College of Surgeons (RACS) welcomes the opportunity to provide input to the Senate Standing Committee on Community Affairs in relation to the Health Legislation Amendment (Improving Choice and Transparency for Private Health Consumers) Bill 2026.

RACS is the leading advocate for surgical standards, professionalism and education in Australia and Aotearoa New Zealand, representing approximately 8,000 surgeons and 1,300 surgical trainees and Specialist International Medical Graduates. The College plays a central role in setting and maintaining standards of surgical practice, supporting patient safety, and ensuring the ongoing education and development of the surgical workforce.

RACS has consistently supported the principle of informed financial consent and the provision of clear, accurate and meaningful information to patients regarding the likely costs of their care. Transparency, when implemented appropriately, is an important contributor to patient trust and confidence in the healthcare system. These views are informed by feedback from RACS Fellows and specialty societies across the surgical community.

The Bill introduces amendments to the Health Insurance Act 1973, the Private Health Insurance Act 2007 and the National Health Act 1953, enabling the publication of practitioner-level billing information via the Medical Costs Finder platform. This represents a significant shift from the current use of aggregated data to the public reporting of individual practitioner billing patterns.

If a Senate Hearing were to proceed, RACS would welcome the opportunity to participate and provide further evidence to the Committee.

2. Executive Summary

RACS supports the intent of the Bill to improve transparency and strengthen consumer confidence in the private health system. The College recognises the policy objective of enabling patients to better understand the costs associated with their care and to make informed decisions.

RACS strongly supports the provisions within the Bill aimed at strengthening system integrity, particularly those addressing inappropriate practices within the private health insurance sector, including product “phoenixing”.

However, while the objective of transparency is supported, RACS has significant concerns regarding the design and implementation of practitioner-level fee transparency measures. As currently structured, the framework



risks presenting complex clinical services in an overly simplified manner, which may mislead patients, misrepresent clinical decision-making, and result in unintended consequences for both affordability and access to care.

RACS notes that similar concerns have been raised across the surgical community. The Australian Orthopaedic Association, General Surgeons Australia, the Australian and New Zealand Society for Vascular Surgery, and the Australian Society of Plastic Surgeons have all emphasised the need for transparency reforms to be implemented in a way that reflects the complexity of clinical practice and avoids unintended consequences for patient access, affordability and system sustainability.

Transparency must be clinically informed, methodologically robust and procedurally fair. Without appropriate safeguards, there is a material risk that the proposed approach will not achieve its intended objectives and may instead undermine them.

3. Support for Measures Addressing System Integrity

RACS strongly supports the provisions within the Bill that address inappropriate practices within the private health insurance sector, including the practice commonly referred to as product “phoenixing”. These reforms represent an important step in strengthening oversight of private health insurance products and improving consumer confidence in the system.

The ability for insurers to close and reopen similar products at higher premiums without appropriate scrutiny undermines transparency and fairness for consumers. Strengthening Ministerial oversight of premiums and ensuring that new and modified products are subject to appropriate approval processes is a proportionate and necessary response.

RACS considers that these reforms contribute positively to the integrity and sustainability of the private health system. It will be important, however, that implementation is clear, consistent and developed in consultation with stakeholders to ensure that regulatory intent is achieved without unintended consequences.

4. Practitioner-Level Fee Transparency

RACS supports efforts to improve transparency of healthcare costs. However, the College is concerned that the proposed approach to publishing practitioner-level fee information does not adequately reflect the complexity of surgical care and risks misleading patients.

Surgical services cannot be meaningfully reduced to a single price point. The cost of a procedure varies significantly depending on clinical complexity, patient comorbidities, procedural approach, facility type, geographic location, and the involvement of multidisciplinary teams. These factors are intrinsic to the delivery of safe and appropriate care and cannot be captured through a simplified or aggregated fee figure.

The proposal to derive and publish a single fee figure for a practitioner’s provision of a service creates a risk of false equivalence between surgeons whose practices may differ substantially in terms of complexity, scope and context. Patients may interpret these figures as indicative of the cost they will personally incur, when in practice individual circumstances will often result in different financial outcomes.

There is also a risk that variations in cost will be incorrectly attributed to practitioners, rather than to broader system factors such as private health insurance design, hospital charging structures, or patient-specific clinical needs. Out-of-pocket costs are significantly influenced by private health insurance product design, including excess levels, exclusions and gap arrangements. Without this context, there is a risk that



patients may attribute cost variation to practitioners rather than to insurer settings.

In addition, the reliance on administrative datasets to generate these figures raises concerns regarding data integrity. The integration and matching of data across multiple administrative sources, including Medicare, AHPRA and private health insurance claims, increases the risk of inaccuracies where data is incomplete, inconsistent or misinterpreted. The absence of a robust mechanism for practitioners to verify and correct data prior to publication creates a material risk that incorrect information may be made publicly available.

The publication of historical billing data through the Medical Costs Finder, drawn from administrative datasets, further increases the risk that information may not accurately reflect current practice or individual patient circumstances.

A critical distinction is that a surgeon's professional fee does not equate to personal income. Professional fees reflect the cost of operating a private surgical practice, including staffing, indemnity, facilities, compliance and equipment, rather than representing net earnings. Without this distinction, publicly reported fee data may be misinterpreted by patients and policymakers.

Surgical care is delivered within multidisciplinary teams, including anaesthetists, assistant surgeons, trainees and nursing staff. Attributing costs to a single practitioner risks misrepresenting how care is delivered and oversimplifying the distribution of clinical responsibility and cost.

5. Unintended Consequences and Market Impacts

RACS is concerned that the proposed transparency framework may give rise to unintended behavioural and market consequences that are inconsistent with the policy objectives of improving affordability and access.

The publication of practitioner-level fee data may lead to price convergence, where fees cluster around a perceived market norm. In some cases, this may result in upward pressure on fees, as practitioners adjust pricing in response to peer comparisons or perceived expectations of quality.

There is also a risk that practitioners may adopt more conservative pricing strategies to account for variability in patient circumstances, which could further increase costs. These dynamics may ultimately lead to higher out-of-pocket expenses for patients, rather than the intended reduction.

More broadly, simplified cost comparisons may influence referral patterns in a way that prioritises price over clinical suitability. This has the potential to distort access to care, particularly for complex or high-risk patients, and may disadvantage surgeons practising in specialised or resource-intensive settings.

There is a material risk that these dynamics may disproportionately affect patients with complex or high-risk conditions, potentially reducing access to appropriate care and increasing inequities within the system.

The majority of surgical services are already delivered within existing transparency frameworks. More than 60 per cent of services are provided under 'no gap' arrangements, with a further significant proportion (30-35%) delivered under 'known gap' arrangements. High out-of-pocket costs are relatively uncommon within this structure.

It is important that fee transparency reforms are considered within the broader context of healthcare funding. Over time, Medicare rebates have not kept pace with the cost of delivering modern surgical care, resulting in an increasing gap between public funding and the actual cost of services. This gap is currently absorbed through a combination of private health insurance and patient out-of-pocket costs. Focusing transparency measures solely on practitioner fees risks obscuring these underlying structural drivers of cost.

A sustainable private sector is essential to the functioning of the broader health system. Where private care becomes less viable or less accessible, demand shifts to the public system, increasing pressure on already constrained capacity and contributing to longer wait times.

6. Clinical Outcomes and Data Expansion

RACS considers it critical to establish a clear boundary between cost transparency and clinical performance reporting.

The Bill provides the capacity for additional datasets to be incorporated into the Medical Costs Finder over time. While this flexibility may be intended to enhance consumer information, it also raises the prospect of clinical outcomes being published at an individual practitioner level.

RACS does not support the publication of individual surgeon clinical outcomes unless such data is clinically validated, appropriately risk-adjusted for case complexity, and interpreted within a robust clinical governance framework. Administrative datasets alone are not sufficient to support meaningful or fair comparisons of clinical performance.

Inappropriate or poorly contextualised outcome reporting carries significant risks. It may mislead patients, discourage the management of complex or high-risk cases, and create disincentives for training and supervision. It may also undermine multidisciplinary models of care, where outcomes are the result of team-based practice rather than individual performance.

RACS supports transparency of clinical outcomes where it is clinician-led, based on established registry and audit systems, and focused on continuous quality improvement.

7. Data Governance and Procedural Fairness

The Bill confers broad powers to publish practitioner-level information but provides limited safeguards for practitioners in relation to data accuracy and procedural fairness.

Given the potential professional, reputational and commercial impact of published information, it is essential that practitioners have the opportunity to verify data prior to publication and to correct inaccuracies in a timely manner. The reliance on an internal review process, without access to independent review, is not proportionate to the potential consequences.

RACS considers that a more robust framework is required to ensure that the rights and interests of practitioners are appropriately balanced with the objectives of transparency.

8. Conclusion

RACS supports the objective of improving transparency and strengthening integrity within the private health system. The College recognises the importance of providing patients with clear and meaningful information about the costs of their care and supports measures that enhance trust and confidence in the system.

However, the current design of practitioner-level fee transparency measures requires further development to ensure that it is clinically appropriate, methodologically sound and fair. Without appropriate safeguards, there is a risk that the framework will misrepresent the realities of surgical practice and give rise to unintended consequences that may adversely affect patients and providers.

RACS is committed to working constructively with Government, regulators and the broader surgical community to ensure transparency reforms are



implemented in a way that is clinically sound, supports informed patient choice, and maintains the integrity and sustainability of surgical care.

Yours sincerely,

Professor Owen Ung
President
Royal Australasian College of Surgeons

