



**MEDIA RELEASE - Thursday 18<sup>th</sup> December, 2014**

### **Patients to benefit from landmark agreement**

Australian Society of Plastic Surgeons President, Tony Kane, today announced the signing of a memorandum of understanding with health and care company Bupa.

Since the middle of this year, the Australian Society of Plastic Surgeons has been in consultation with private health insurers including one of Australia's largest health insurers, Bupa, about the definition and criteria for medically necessary-procedures that are not undertaken for cosmetic reasons. These procedures restore form as well as function and thereby return the patient to as normal an appearance as possible, e.g. surgery after massive weight loss, surgery after trauma or a repair of the wound after a skin cancer is removed.

Insurers need assurance that a procedure is not potentially "cosmetic" and patients need the certainty that their procedure will be covered by their insurer.

"We were determined to find a solution to give our patients certainty of cover. Many of our patients have in recent months been left confused and stressed", Tony Kane said.

The Australian Society of Plastic Surgeons was concerned that the long established medical model of automatic cover where the procedure was recommended by a surgeon and attracted a Medical Benefits Schedule (MBS) Item Number, was in question.

"Given the fact that the MBS does not provide cover for cosmetic procedures, we were concerned about any possible shift towards managed care, undermining of the traditional doctor-patient trusted relationship," Tony Kane said.

"Our patients were fearful that they would be denied coverage if their insurer disagreed with their surgeon," Dr Kane said.

In the ensuing months of consultation, both Bupa and the Society agreed that there is a need to strike a balance between the insurers' concerns about potentially paying for cosmetic procedures and the surgeons' concern to maintain certainty of care for their patients as well as to protect the integrity of Medicare and the MBS.

Under the arrangement, Bupa and the Society will work to implement a number of initiatives, including:

- Before certain types of surgery, surgeons will provide private hospitals and insurers with a form that provides specific clinical information and confirms the medical necessity for the procedure;

- On receipt of this form, Bupa will confirm a patient's level of cover for the procedure;
- The proposed process will enable private hospitals to schedule procedures for their patient in a timely manner, without the need for upfront payment or delays;
- Members of the Australian Society of Plastic Surgeons have also agreed to participate in a self regulation audit model that will see the Society work closely with Bupa and the Department of Health; and
- Bupa will continue to work closely with the Australian Society of Plastic Surgeons and other stakeholders to ensure transparent information is available to health insurance consumers as to what is, or is not, covered;
- Bupa and the Australian Society of Plastic Surgeons will work together to develop more detailed clinical guidelines to support this process.

Paul Bates, Chief Medical Officer at Bupa stated, "Bupa welcomes the opportunity to work closely with the Australian Society of Plastic Surgeons in delivering an agreement that represents a win-win outcome for all stakeholders and especially Bupa's customers."

Dr Kane observed, "By each party stating their concerns clearly and showing a willingness to listen and compromise we have engineered a sensible solution to improve our, at times overly criticised, health system".

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