



Insurers controlling clinics and hospitals could limit choice and quality

Catholic Health Australia

Increasing moves by health insurers to control medical centres or hospitals could severely limit patient choice and quality of care and must be thoroughly scrutinised, Catholic Health Australia said today.

It has been reported that a private health insurer wants to build a network of 130 medical centres in Australia and is considering a bid for Healthscope hospitals.

“Insurers gaining more control of our health system is unlikely to be in the best interests of patients,” said Dr Katharine Bassett, Director of Health Policy at Catholic Health Australia.

“The more control insurers gain, the greater the risk that patients will be limited to the doctors and treatments their insurer approves — rather than the care they truly need.

“This would be a dangerous shift toward a US-style managed care model that puts profits ahead of patients.”

CHA is calling upon the federal government to set out clear guidelines for an efficient and competitive health system which supports patient choice.

“Health insurers owning hospitals and medical clinics is already reshaping the healthcare landscape — undermining patient choice, threatening quality of care, and impacting the clinical autonomy of healthcare professionals,” said Dr Bassett.

CHA has published a [position paper](#) on insurer vertical control, warning that such consolidation could fundamentally alter patient care in Australia. It also outlines other examples of vertical integration occurring in Australia’s health system.

In the United States, vertical integration in healthcare has led to higher premiums, reduced provider earnings, and compromised patient care quality. Studies have shown that such consolidation often results in restricted patient access to necessary treatments due to insurance coverage limitations.

Notes to editors: *Catholic Health Australia (CHA) is Australia’s largest non-government, not-for-profit group of health, community, and aged care providers. Our members operate 80 hospitals in each Australian state and the ACT, providing around 30 per cent of private hospital care and 5 per cent of public hospital care, in addition to extensive community and residential aged care. There are 63 private hospitals operated by CHA members, including St Vincent’s, Calvary, Mater, St John of God and Cabrini. CHA members also provide approximately 12 per cent of all aged care facilities across Australia, in addition to around 20 per cent of home care services. 25 per cent of our members’ service provision is regional, rural and remote.*

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