

Notes to General Business items

Notes to item 4.1 – Medical Advisor

This is a Member-initiated proposal for discussion that the medical advisor for the Southern Cross Medical Care Society should be a registered specialist medical practitioner with a significant involvement in private practice for a period of greater than 10 years. This individual should have experience in the delivery of private practice surgical care. In the event this post is occupied by someone who does not meet this criteria then an associate medical advisor should be appointed.

Comments from the proposing Member in support of this item are:

It is vital in the current environment that Southern Cross Medical Care Society has access to a medical advisor with the appropriate skills and knowledge to provide the Society with advice appropriate to the delivery of care to the insured. The vast majority of spending by Southern Cross Insurance is on surgical care, and obviously Southern Cross Hospitals are surgical facilities. It is not possible for someone who has not been involved in the delivery of surgical services to advise the Society in areas in which they have no expertise. Members should be able to be assured their interests are protected by having an appropriate medical professional in this post.

Conflict of Interest statement:

I am an anaesthetist in private practice who receives remittances from Southern Cross Hospitals and Southern Cross Insurance. I am the managing partner of Epsom Anaesthesia Partnership which has signed agreements with Joint Ventures involving Southern Cross Insurance.

Dr Ivan Bergman, Epsom, Auckland

The Board's comments in relation to this item are:

The Society is well served by the current Chief Medical Officer, Dr Stephen Child, and other medically qualified staff. Dr Child is a registered vocational medical specialist in Internal Medicine and has been working in private practice for more than 20 years. He is a former Chair of the New Zealand Medical Association and was recently elected to the Medical Council of New Zealand. His background includes 21 years as the Director of Clinical Training at New Zealand's largest DHB.

In addition to in-house expertise, the Society regularly engages with outside experts, medical specialist colleges and professional bodies here and overseas to seek input as required.

The Board also has medical expertise among its Directors on which to draw. Dr Philip Leightley, who retires from the Board at the AGM, is a specialist anaesthetist with more than 25 years' experience in the private surgical sector. Dr Martin Misur, who stands for election at this AGM, is also a specialist anaesthetist who continues to work in both the public and private surgical sectors.

Notes to item 4.2 - Benefits

This is a Member-initiated proposal for discussion that all changes that reduce benefits to any health insurance policy should not be applied to those currently insured, but to future policies only.

Comments from the proposing Member in support of this item are:

Health insurance in NZ is unique in that it has no government funding and no government regulation around portability. Once an individual takes out a policy with any insurance company and then develops a medical condition covered by insurance, they cannot move to another insurer without having that condition excluded as being pre-existing. This means that when policy benefits are reduced an insured person cannot exercise the normal prerogative of moving to another insurer. It is questionable ethically for an insurer to alter policies knowing that many insured Members are unable to move. The motion above would allow Southern Cross Insurance to enhance benefits but would prevent current insured from having the policy that was purchased in good faith from being degraded. It would not prevent the Society from altering policies for new Members nor would it prevent premium raises to support the policy which may make a Member decide to change.

Conflict of Interest statement:

I am an anaesthetist in private practice who receives remittances from Southern Cross Hospitals and Southern Cross Insurance. I am the managing partner of Epsom Anaesthesia Partnership which has signed agreements with Joint Ventures involving Southern Cross Insurance.

The Board's comments in relation to this item are:

We are ever-conscious of the fine balance between offering maximum value for money and ensuring the affordability of premiums. This is discussed in more detail in our 2019 Annual Report (www.southerncross.co.nz/annualreport)

In reality, over the years many more benefits have been added to policies than removed, and these additions have been applied for everyone on the relevant health insurance plans, regardless of when they first joined the Society. The removal or reduction of benefits, and any impact on Members, is something we aim to minimise. Our goal is to maintain Members' health insurance plans so that they are up-to-date (for example, to access treatment options that have not previously been available) and continue to provide sustainable, long-term value.

Notes to item 4.3 – Standards of Care

This is a Member-initiated proposal for discussion that Southern Cross Medical Care Society should ensure that the care delivered by facilities and practitioners to Southern Cross members is at or above the level of District Health Boards or other public health care facilities.

Comments from the proposing Member in support of this item are:

Of late it has become clear that the Affiliated Provider model adopted by Southern Cross Medical Care Society has had significant consequences for the standard of care delivered in some areas of practice. For some procedures a Member may have a less comfortable or less safe procedure due to the constraints of the Affiliated Provider model. Southern Cross Insurance Members may not even be aware they are getting a lesser service as they do not get the opportunity to compare to the public.

The Society have argued that some of these services are 'nice to have' rather than medically necessary, and that it is up to the provider to ensure quality of service, however this is not a realistic outcome when cost appears to be the primary driver of the Affiliated provider program. Most Members would expect that spending money on private health insurance should result in an equivalent or higher standard of care. An example of this is cataract surgery, where provision of anaesthesia directed sedation or anxiolysis (reducing anxiety) is standard in public hospitals. Southern Cross Insurance has made provision of the facility virtually impossible under its affiliated provider program.

Conflict of Interest statement:

I am an anaesthetist in private practice who receives remittances from Southern Cross Hospitals and Southern Cross Insurance. I am the managing partner of Epsom Anaesthesia Partnership which has signed agreements with Joint Ventures involving Southern Cross Insurance.

Dr Ivan Bergman, Epsom, Auckland

The Board's comments in relation to this item are:

Standards of care are the responsibility of the doctor and facility providing the treatment. Likewise, decisions about treatment options are between a doctor and his or her patient. Southern Cross does not attempt to influence what options are used. However, we do set out to ensure that the price paid on behalf of Members is fair and reasonable.

Dr Bergman suggests that the prices agreed between Southern Cross and providers of cataract surgery makes provision of anaesthesia "virtually impossible". In fact, our analysis indicated that nearly three quarters of the cataract operations funded by the Society in 2018 were done with anaesthesia. Our observation is that the biggest factor in whether or not a surgeon uses an anaesthetist is their personal preference or circumstances. We also note that Southern Cross Members' reported satisfaction with their cataract surgeries are very high, whether or not an anaesthetist is used.

The Affiliated Provider programme remains an important part of our efforts to minimise the impact of rapid claims inflation on the premiums Members pay. It also aims to ensure sustainable and ongoing access to high quality private healthcare services and deliver an easy, timely, patient-friendly experience.