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Dear Ms Radcliffe

**Re: Senate inquiry into the value and affordability of private health insurance and out-of-pocket medical costs**

I am writing to you on behalf of Painaustralia, the leading national peak body working to improve understanding and treatment of acute, chronic and cancer related pain. Our submission addresses Item k of the terms of reference, “any other related matter”.

It is estimated that up to one in five Australians and one in three older Australians live with chronic pain.<sup>1,2</sup> People with chronic pain have the greatest levels of disability in our community.<sup>3</sup> It is the leading cause of early retirement from the workforce, with back problems and arthritis accounting for around 40% of forced retirements<sup>4</sup> and the level of workforce participation in people with chronic pain could be as low as 19%.<sup>5</sup>

Chronic pain places a major burden on our economy, third only to cardiovascular disease and musculoskeletal conditions among the National Health Priority Areas.<sup>6</sup> The estimated cost of chronic pain is at least \$34 billion per year. These costs are highest when the level of pain and disability is higher. This is why one of our priorities is to improve management through treatment plans targetting the impact of pain on daily functioning.<sup>7</sup>

There is a strong argument that facilitation of effective and timely intervention and multidisciplinary pain management programs can reduce the economic cost of chronic pain by half.<sup>8</sup> For injured workers alone, early intervention programs such as the WISE study have shown average costs per injured worker can be reduced by 22%.<sup>9</sup> It is therefore in Australia’s interest to facilitate access to best-practice and evidence-based pain care and early intervention programs.

The most effective way to reduce pain-related disability, improve function and quality of life, and increase the chances of returning to work for people with chronic pain is known as multidisciplinary pain management.<sup>10</sup> Since chronic pain is not just a physical condition but an experience that affects people psychologically, emotionally and socially (biopsychosocial) management must be holistic in order to be effective.

Multidisciplinary pain management involves a team of health professionals managing patients through individual person-centred plans. This approach involves ongoing and regular consultations with a range of health professionals in addition to the coordinating doctor, usually a psychologist and physiotherapist, and possibly also a pharmacist and social worker or vocational counsellor trained in multidisciplinary pain management.<sup>11</sup> Group pain education sessions teach people to understand pain and how they can self-manage their pain (self-management is an important part of pain management). Support groups are also encouraged (for more information about multidisciplinary pain management please visit our website [www.painaustralia.org.au](http://www.painaustralia.org.au)).

Painaustralia's recent member survey (health professionals and consumers) indicated that private health insurance lacks value for people with chronic pain because it does not currently support multidisciplinary pain management. It can reasonably be concluded that the majority of people with chronic pain who have private health insurance receive limited or no benefit for their chronic pain condition. Given the cost to healthcare of chronic pain combined with significant government and taxpayer subsidy, this situation should be addressed as a matter of urgency.

## Key Issues

Following are some key issues that we have identified in relation to this problem, along with recommendations for improvement.

### 1. Focus on surgical interventions

Private health insurance is geared towards surgical interventions and procedures as one-off solutions to problems, rather than ongoing support for people with more complex conditions such as chronic pain. While there may be some benefit for a small number of chronic pain conditions, such as a hip replacement, surgery is not recommended for the majority of conditions and in some cases can lead to worsening of the condition. For example, surgery for back pain is generally ineffective and in some cases can lead to deterioration of symptoms.

**Recommendation: Private health insurers should be required to disclose information about best-practice pain management and the ineffectiveness of surgery for the majority of chronic pain conditions. This information could be sent in a fact sheet to consumers who identify as having a chronic pain condition and when it is indicated they are considering surgery.**

### 2. Inadequate rebates for allied health services

Allied health rebates are highly inadequate, yet for people with chronic pain, regular and ongoing allied health consultations are essential. It is not uncommon for people with chronic pain to require weekly treatments, such as physiotherapy and hydrotherapy, over several years. One consumer told Painaustralia that even on the top level of cover, she is paying \$20,000 a year in out-of-pocket expenses (excluding surgeries). Health professionals who responded to our survey agree, with most reporting their patients reach their yearly allocation for allied health care services within the first four to six months, despite needing long-term treatment.

**Recommendation: Private health insurers should be required to increase their allied health rebates for people with chronic pain to a regular (weekly if necessary) rebate structure to reduce out-of-pocket costs for consumers.**

### **3. Few nominated allied health professionals trained in pain management**

Our survey identified that there are few nominated health professionals with specific training in pain management. This is problematic because management of chronic pain is very specific and requires additional understanding in order to provide effective care. Consulting a health professional without this training could be pointless and a waste of money and time. With an expansion in education and training opportunities, this does not reflect a lack of suitably qualified professionals, rather a lack of understanding of the need for pain specific management.

**Recommendation: Private health insurers should be required to expand nominated health professionals to ensure those with appropriate pain management training are represented.**

### **4. Pain management programs not considered**

Private health insurers do not tend to promote or offer rebates for early intervention or other pain management education programs. These programs are a vital part of best-practice multidisciplinary pain management, where the patient becomes educated about pain and learns the skills to self-manage their pain. Where such programs are available, they have been shown to be effective in reducing demand for surgery and improving function and quality of life. Examples of these are the Osteoarthritis Management Program at Hunters Hill Private Hospital,<sup>12</sup> which can be accessed by eligible patients with private health insurance at no cost to the patient, and the Healthy Weight for Life knee osteoarthritis program, an innovative program<sup>13</sup> delivered remotely (online and with phone support) at no cost to patients who are members of participating health funds.

**Recommendation: Private health insurers should be required to provide rebates for best-practice multidisciplinary pain management education programs for people with chronic pain conditions.**

## **Conclusion**

Painaustralia believes there is significant scope for this review into private health insurance to ensure people experiencing chronic pain are better able to access appropriate care and treatment.

The current model of private health insurance does not adequately meet the needs of people experiencing chronic pain, primarily because the structure of rebates seems focused more on short-term acute care rather than long-term care for chronic illness.

Adopting the recommendations in this brief submission will not only allow those with chronic pain to achieve a better quality of life, it will also save private health insurers and the government significant costs in often unnecessary and counter-productive interventions (such as back surgery), as well as enabling people who experience chronic pain to return to work and contribute more to our communities.

Chronic pain is an issue that is often overlooked and stigmatised, despite the very high personal, community and economic costs.

Painaustralia hopes that this inquiry will, at the very least, acknowledge the issues we have highlighted and recognise the experience of millions of Australians unable to access appropriate treatment and care to address their chronic pain.

We would be interested in working with the Australian Government to provide further information, resources and support.

## References

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  - <sup>3</sup> Schofield, D. et al. Early retirement and the financial assets of individuals with back problems, *European Spine Journal*, 2011 20(5): 731-736
  - <sup>4</sup> Schofield et al. Quantifying the Productivity impacts of poor health and health interventions, *Health Economics*, University of Sydney, Oct 2012
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  - <sup>6</sup> MBF Foundation *The high price of pain: the economic impact of persistent pain in Australia*. Report conducted by Access Economics in collaboration with the Pain Management Research Institute, 2007
  - <sup>7</sup> Lalonde L Costs of moderate to severe chronic pain in primary care patients – a study of the ACCORD program, *Journal of Pain Research* 07 July 2014
  - <sup>8</sup> MBF Foundation *The high price of pain: the economic impact of persistent pain in Australia*. Report conducted by Access Economics in collaboration with the Pain Management Research Institute (The University of Sydney/Royal North Shore Hospital, 2007
  - <sup>9</sup> [http://www.psychology.org.au/Assets/Files/WISE%20Presentation%20at%20RPIG\\_final.pdf](http://www.psychology.org.au/Assets/Files/WISE%20Presentation%20at%20RPIG_final.pdf)
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  - <sup>11</sup> Cousins MJ & Gallagher RM *Fast Facts: Chronic and Cancer Pain* 2011
  - <sup>12</sup> <http://www.huntershillprivate.com.au/Rehabilitation/Osteoarthritis%20Management%20Program>
  - <sup>13</sup> <https://oa.hwfl.com.au>