

MEDIA RELEASE

THU 14 AUGUST 2025

Private hospital problems lead to public hospital pain – but we can fix both

An independent governing body, Medicare reform and tying private work to public responsibilities are three of the bold initiatives proposed by AMA Queensland to address private hospital system dysfunction.

A spate of closures and collapses - including Toowong Private and Healthscope this year alone - has shone a spotlight on the need for structural reform of private health.

The unbalanced relationship between public and private sectors is also hampering our hospitals, health professionals and of course, patients caught in the middle.

President Nick Yim said AMA Queensland's Workforce Action Plan takes a practical, profession-led approach to critical issues.

"We need flourishing public and private health systems to ensure patients have the choice of where and from whom they receive care, doctors have the choice of where they work, and innovation is encouraged," he said.

Establish an independent private health systems authority

Dr Yim said patients need to see the value in maintaining private health cover.

"Increasing cost of living pressures, especially for younger Australians, is making private health cover unaffordable for many.

"We know that even if people can pay their private health insurance premium, they are downgrading to lower tiers that may not cover them when they really need it.

"Private hospitals themselves have stopped delivering more costly services, especially in regional Queensland.

"We've all seen the closure of private maternity units and now we're seeing it in services like paediatrics.

"If patients can't get the treatment they need in their local private hospital they usually see little point in holding private health insurance.

"The more people that drop top tier cover, the less viable those treatments become for private hospitals.

"Wholesale reform is essential, including assessing options like enabling preventative care and chronic disease management or outpatients' coverage under private health insurance."

Reduce reliance on Surgery Connect and tie it to public on-call responsibilities in the regions

The Surgery Connect program allows public patients to receive planned surgeries in private hospitals.

Dr Yim said it was a fundamental short to medium term option to reduce waiting times, but ultimately Queenslanders deserve to have those surgeries performed in public hospitals.

“We know certain procedures are becoming almost fully privatised in regional Queensland - things like cataract surgery, ENT procedures, gastroenterology services and many orthopaedic surgeries,” he said.

“Not only do patients want those services at their local public hospital but our public hospital doctors and nurses need to perform those on a regular basis to maintain their skills.”

Dr Yim said there was a risk that if elective surgeries are routinely outsourced, public doctors may go into the private system to ensure continuity of practice.

“This can lead to a ‘rob Peter to pay Paul’ effect, where our public hospital workforce is stretched further,” he said.

“There is currently no requirement for private doctors accepting Surgery Connect contracts to contribute to on-call arrangements at their local public hospitals.

“This is particularly important for the regions, where we have had reports of some doctors working 60-to-80-hour weeks, including 3 on-calls per week.

“That is a recipe for burnout and poor patient outcomes.

“Linking Surgery Connect work to responsibilities such as public hospital on-calls means public doctors get support and adequate breaks, but private doctors then keep up their skills in emergency medicine and other relevant procedures.”

Medicare Benefits Scheme Reform to reward generalists

Dr Yim said the MBS inadvertently encourages private hospitals and specialists to provide certain services over others.

“We see this with the closing of private maternity units and low use of multidisciplinary teams (MDT) for complex conditions in private practice.

“We also see private hospitals prioritising ENT procedures, or ophthalmology or gastroenterology day surgery because they don’t require intensive care units or high dependency units.

“This leads to further fragmentation of our workforce into specialist silos, meaning fewer doctors are keeping up their generalist skills.”

“Medicare rebates need to make generalist care viable to encourage specialists – including those working privately – to retain those skills and be able to work in a broader range of settings.

Dr Yim said a greater investment in technology could also help private specialists.

“Support for our private sector doctors to implement emerging technologies such as AI scribes can free them of administrative and other non-essential tasks,” he said.

“This would allow them to prioritise direct care with patients and have time to focus on maintaining their generalist skills.”