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RACP submission: Australian Senate inquiry - Health Legislation Amendment (Improving Choice and Transparency for Private Health Consumers) Bill 2026

March 2026

About The Royal Australasian College of Physicians (RACP)

The RACP trains, educates and advocates on behalf of over 24,000 physicians and 9,000 trainee physicians, across Australia and Aotearoa New Zealand.

The RACP represents a broad range of medical specialties, including general medicine, paediatrics and child health, cardiology, respiratory medicine, neurology, oncology, public health medicine, infectious diseases medicine, occupational and environmental medicine, palliative medicine, sexual health medicine, rehabilitation medicine, geriatric medicine, and addiction medicine.

Beyond the drive for medical excellence, the RACP is committed to developing healthcare policies which bring vital improvements to the wellbeing of patients, the medical profession and the community.

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We acknowledge and pay respect to the Traditional Custodians and Elders – past, present and emerging – of the lands and waters on which RACP members and staff live, learn and work. The RACP acknowledges Māori as tangata whenua and Te Tiriti o Waitangi partners in Aotearoa New Zealand.

RACP position

The Royal Australasian College of Physicians (RACP) welcomes the opportunity to make a submission to the Community Affairs Legislation Committee's Inquiry into the *Health Legislation Amendment (Improving Choice and Transparency for Private Health Consumers) Bill 2026* (the Bill). The RACP represents over 20,000 physicians across Australia, many of whom practise partly or fully in the private healthcare system and is therefore well placed to comment on *Schedule 1—Transparency by default and information sharing* of the Bill.

The amendments proposed in Schedule 1 of the Bill will allow the publication of information for patients on medical fees charged by medical practitioners (including specialists and general practitioners) and likely out-of-pocket costs for accessing these services in the private healthcare sector on the Medical Costs Finder (**MCF**). These aim to promote greater transparency in healthcare pricing, enabling consumers to make informed decisions and achieve better value from private health insurance.

As outlined in the recently published Council of Presidents of Medical Colleges' *Medical Specialist Professionalism Framework – Ethical Billing and Fee Transparency*[1], it is critical to emphasise in this context that:

- **the vast majority of specialists set their fees responsibly, ethically and with a strong commitment to patient care**[2]
- **while specialist medical colleges do not set or regulate fees**, **the profession operates within well-established ethical norms that prioritise patient interests and fairness.**

Transparency can support informed patient choice, but it will only meaningfully improve affordability and access if it operates within a well-functioning and adequately funded health system. Increased costs to patients are largely the result of broader structural pressures, including inadequate Medicare rebates and items which are no longer fit for purpose, rising practice expenses, workforce shortages and maldistribution, and limited access to public outpatient services.

The RACP supports the intent of the Bill to improve transparency for patients navigating the private healthcare system, but fee transparency alone cannot address the complex underlying drivers of high out-of-pocket costs for specialist care. It is imperative that Governments across Australia work together to ensure

- **Medicare Benefits Schedule reform**
- **investment in the specialist workforce**
- **expansion of public outpatient capacity and**
- **an increased focus on prevention and early intervention, including via collaborative care models involving physicians, GPs and other health professionals working together.**

More information on how these initiatives can improve access to patient care are set out in the RACP's 2026-27 Pre-Budget Submission to the Australian Treasury.

Without careful implementation and appropriate safeguards, transparency measures also risk misleading patients, distorting market behaviour, or discouraging clinicians from treating complex patients.

While the Bill's Explanatory Memorandum reports low uptake of the MCF citing participation by only 1 to 2 per cent of specialists as of December 2025, **the MCF has enabled only 11 eligible specialties to upload fee information, of which just two fall within the 33 specialties trained and represented by the RACP (cardiology and gastroenterology / hepatology)**.[3] This limited coverage underscores the challenges in ensuring the Medical Costs Finder is comprehensive, accurate and readily understandable for patients.

Key considerations for effective Medical Costs Finder changes

This RACP submission identifies key design and implementation considerations necessary to ensure informed patient choice and trust in the health system and sets out broader recommendations essential to improving access to affordable specialist care.

As indicated above, while the RACP supports the intent of the Bill to improve fee transparency for private health consumers, **these measures can only be effective through careful design, appropriate safeguards, and complementary system-wide reform.**

The RACP makes the following recommendations in relation to Schedule 1 of the Bill and critical steps to address the systemic issues affecting access to affordable specialist care:

1. Government **co-design and validate the MCF analytical methodology with medical colleges, specialty societies, the Council of Presidents of Medical Colleges and the Australian Medical Association** prior to publishing specialist fee data.
2. **Published fee information should reflect fee ranges rather than single averages** in order to more accurately capture variation arising from patient complexity, location and clinical context.
3. The enhanced MCF include **clear, plain-language contextual information explaining Medicare rebates, billing arrangements, and the limitations of private health insurance** for outpatient services.
4. **Fee information be presented alongside relevant non-price indicators**, such as waiting times and quality measures, to support informed patient decision-making beyond cost alone.
5. Actively **monitor and mitigate the risk of market distortion and price inflation** arising from fee transparency measures, particularly in concentrated or low-competition markets.
6. Fee transparency measures be designed so they **do not unintentionally undermine cross-subsidisation practices that support access to care for patients experiencing financial hardship**.
7. **A clear, timely and accessible process be established allowing practitioners to review and seek correction of inaccurate data prior to publication**.
8. **An independent review mechanism be introduced for disputes** that cannot be resolved through internal review processes.
9. The Government **explicitly acknowledge the limits of fee transparency and commit to comprehensive Medicare Benefits Schedule reform** to restore rebate adequacy and individual item fitness for purpose.
10. **Investment be increased in public outpatient specialist capacity and specialist workforce planning** to address access inequities.

Establishing a robust analytical methodology to ensure data accuracy

The Bill's Explanatory Memorandum outlines that the Department of Health, Disability and Ageing (the Department) is still developing its analytical approach for the derivation of a single fee figure to be published for each service provided by a medical practitioner in a given financial year.

This is a fundamental design question that will determine whether the fee information uploaded to the MCF is genuinely useful or potentially misleading to patients and referrers. It must be resolved in consultation with medical colleges, specialty societies, the Council of Presidents of Medical Colleges (CPMC) and the Australian Medical Association (AMA) before data is published.

Specific concerns include:

- Fees vary substantially by location, patient complexity, non-face-to-face time, and clinical context. A single annual figure may obscure this variation in ways that mislead patients.
- Physicians spend considerable non-face-to-face time on complex patients. Publishing fees without contextualising this complexity risks creating the misperception that higher fees reflect poor value rather than greater clinical need in some instances.
- Publication of past financial year data may not reflect current fee levels, particularly in a context of rising practice costs. Presenting this data without adequate caveats could further confuse patients.

The RACP calls for close collaboration between the Department, medical colleges, specialty societies and the CPMC in developing and validating the analytical methodology before fees are published on the MCF website.

Ensuring appropriate contextual information to support patients

In the absence of appropriate contextual information, fee transparency tools may have limited impact on patient decision-making and may inadvertently mislead patients.

The design of the enhanced MCF must therefore go beyond publishing fee data and actively support informed patient decision-making by including:

- fee ranges (not single figures) for in-hospital services, to better capture expected variation
- a clear distinction between outpatient and in-hospital fees, with an explicit explanation that private health insurance cannot be used for outpatient services
- fee information by hospital location as well as by specialist, given that costs can vary substantially within a postcode
- information on when bulk billing or no out-of-pocket costs apply, and a clear explanation of how published averages may under-report fee variation
- quality indicators and waiting times alongside fees, so patients are not making decisions on price alone
- plain-language explanations of how the billing and Medicare system works which cover the following:

- the Medicare rebate is a government contribution to the patient toward the cost of care, not a professional reimbursement intended to cover the full fee
- the Government does not set or regulate specialist fees, nor do medical colleges
- the AMA publishes guidance on appropriate fees, which is distinct from MBS rebates
- individual specialists set fees based on a range of factors including practice costs and patient circumstances
- higher fees do not indicate higher quality care and should not be used as a proxy for clinical expertise or outcomes.

Addressing the potential risks of market distortion and perverse incentives

The RACP notes with concern the evidence that fee transparency may increase prices in concentrated markets, particularly where there is limited competition.[4] The Government should monitor this carefully.

The RACP also raises concern about the risk of inadvertently removing cross-subsidisation where practitioners charge higher fees to some patients to offset reduced fees for patients experiencing hardship. A transparency framework that inadvertently penalises this practice could harm vulnerable patients. The RACP calls on the Government to consider the implications of this dynamic in the MCF's design.

Further, there is a risk that publishing fees without adequate context could discourage physicians from treating complex patients if regulatory changes make providing that care even more difficult. The RACP calls on the Government to mitigate against this risk.

Enhancing review and dispute resolution process to protect practitioners

The Bill proposes an internal review process only with no independent mechanism for practitioners to challenge the accuracy of data published about them, though judicial review remains available.

The RACP is concerned about the absence of an independent review pathway given the potential reputational and commercial impact on practitioners if inaccurate data is published.

The RACP notes the Government's position that an internal review process is proportionate given the public benefit of transparency. However, we urge the Government to:

- Establish a clear, accessible and timely process for practitioners to raise and resolve concerns about inaccuracies.
- Ensure practitioners are notified before publication and given adequate time to review data attributed to them.
- Commit to prompt corrections where errors are identified, given the potential for published errors to cause reputational and commercial harm in the interim.
- Consider an independent review mechanism for disputes that cannot be resolved through the internal process.

Addressing broader health system reforms

The RACP strongly urges the Government to pair this Bill with the broader systemic reforms needed to make specialist care genuinely affordable and accessible for all Australians.

Transparency measures alone will not be sufficient to address the underlying drivers of out-of-pocket costs. The primary drivers of high out-of-pocket costs are complex and much broader than a lack of fee information and include:

- **MBS rebates not having kept pace with inflation and the true cost of delivering care**. The real value of MBS rebates has fallen considerably due to inadequate indexation and, for several years, a freeze. This gap between rebates and practice costs is a fundamental driver of increasing out-of-pocket costs.
- **Rising practice expenses** including wages, rent, utilities, insurance and equipment.
- **Workforce shortages and maldistribution**, which have constrained meaningful patient choice in many specialties and regions. There are significant care deserts because there is no national coordination of specialist training to ensure a pipeline of doctors where they are needed.
- **Inadequate public outpatient capacity**, meaning patients who cannot afford private care cannot readily access specialist care publicly.
- **Limitations in private health insurance product design**, which means that patients are not adequately protected from out-of-pocket costs.

The RACP calls on the Government to treat these systemic drivers as a priority reform agenda, pursued in parallel with fee transparency measures.

Transparent pricing is a worthwhile step, but it will not meaningfully reduce out-of-pocket costs unless the Government also funds Medicare properly and addresses the structural factors that make specialist care unaffordable for many Australians.

Conclusion

The RACP supports the intent of the *Health Legislation Amendment (Improving Choice and Transparency for Private Health Consumers) Bill 2026* and welcomes the proposed enhancements to the MCF as an important step toward greater fee transparency for patients.

It cautions that transparency alone will not solve the systemic problems driving high out-of-pocket costs in specialist care.

We call on the Government to treat this Bill as the beginning of a comprehensive reform agenda to improve access to specialist healthcare, one that addresses Medicare adequacy, workforce planning, public outpatient capacity, increased focus on prevention and early intervention, including via collaborative care models, rather than as a substitute for it.

Creating more transparency is an important first step, but it cannot operate as a stand-alone measure without addressing these broader challenges.

Every Australian should be able to access affordable, high-quality specialist care without risking financial hardship. Achieving that goal requires investment in the health system and ensuring

its underlying frameworks are fit for purpose, not only investment in the information available about it.

The RACP welcomes the opportunity to engage further with the Government and Parliamentary Committee on the issues raised in this submission and reiterates its commitment to working collaboratively to ensure the information uploaded to the MCF is effective, accurate, fair and helpful to patients and referrers, and on critical, broader reforms to ensure timely and affordable access to specialists care.

For further queries or information, please contact Claire Celia, Senior Policy and Advocacy Officer, via policy@racp.edu.au.

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[1] Council of Presidents of Medical Colleges, 2026. Medical Specialist Professionalism Framework – Ethical Billing and Fee Transparency. Available online: cpmc-framework--ethical-billing-and-fee-transparency-final.pdf. Accessed 25/03/2026

[2] The recently released Grattan Report on improving Australians' access to specialist care has estimated that what they have termed "extreme-fee specialists" (defined by Grattan as those charging more than triple the Medicare schedule fee on average) represent fewer than 1,500 specialists across 29 specialists which is less than 4% of specialists. Breadon, P., Geraghty, J., Jones, D. and Baldwin, E., 2025. Special treatment: improving Australians' access to specialist care. Available online: Special treatment: Improving Australians' access to specialist care. Accessed: 25/03/2026

[3] Medical Costs Finder website: For medical specialists | Medical Costs Finder | Australian Government Department of Health. The list of eligible specialties only includes the following: cardiology, cardiothoracic surgery, gastroenterology and hepatology, general surgery (abdominal and gastrointestinal), general surgery (breast), obstetrics and gynaecology, ophthalmology, orthopaedic surgery, otolaryngology (ENT) head and neck surgery, plastic and reconstructive surgery, and urology.

[4] Méndez, S.J., Yong, J., Scott, A., Prang, K.H. and Elshaug, A.G., 2026. Price Transparency in Specialist Markets. *Australian Economic Review*.