

# **Submission to Royal Commission into the Banking and Finance Sector**

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## **Confidential Appendix 3**

### **Percentage of a GPs Treatments Denied by Insurers in NSW CTP and Workers' Compensation.**

#### **Period 2016-7 Financial Year**

17.5%

#### **Period 6 months July- December 2017**

14.4%

#### **Discussion**

1. It has been my practice to continue billing insurers even if claims are denied<sup>1</sup>. This is the percentage of billings that were denied by insurers in the periods stated. It is assumed that these corporations are able to pay their bills and that they will pay within 3 months if they are going to pay at all; hence it is assumed that the unpaid bills are denied claims.
2. Given that Medicare and Private Health Insurers are obliged to pay all claims, these denial rates are very high. It is obviously a significant income loss for doctors if they persist in treating them.
3. Many patients continue to get treatment from their GPs when referrals to radiology services or specialists are denied. Hence it is likely that the denial rates for specialists are far higher than this. I do not have figures for this beyond those in Appendices 2 and 4.
4. Many doctors, both GP and specialists refuse to treat CTP and/or WC cases, and many more specialists insist that the patient pays them and recovers the money from elsewhere because of delays and difficulties in getting paid.

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<sup>1</sup> In theory, if the claim is disputed liability of the insurer is either proved at a hearing, or there is a settlement, these bills will in theory be paid in full. At a practical level, the Medicare rebate for a non-vocationally registered GP is \$21, which makes the practice non-viable. When insurers deny liability many GPs will charge Medicare to continue treatment, so the insurers have nothing to lose by their denials. No insurer has ever been penalised for not paying a victim when they should have. SIRA is the sole agency responsible for prosecutions in this area of law.