

MEDIA RELEASE

11 million Australian private health consumers set to benefit from reforms

Matthew Koce, CEO of hirmaa the peak body organisation for 24 not-for-profit, member owned, community based and regional health funds welcomed the cuts to prostheses announced today as part of the Federal Government's reform package.

The cuts to prostheses is a clear and unequivocal demonstration of the Government's strong committed to the ongoing success of the private health system and today's announcement will come as welcome relief for more than 11 million Australians who hold a private health insurance hospital policy". Mr Koce said.

"We share the health Minister's commitment to help make private health insurance as accessible, understandable and affordable as possible. Private health insurance guarantees fast access to high quality care and takes the pressure of the over-stretched public hospital system." Mr Koce said.

"The hirmaa not-for-profit health insurers are doing their best to keep premiums as low as possible. We welcome any effort designed to reduce pressure on premiums and improve affordability and value for money."

"Health funds return to consumers around 90 cents of every premium dollar as benefits. Therefore the only opportunity for reducing costs is in the health supply chain. That is why we are pleased to see next year's prostheses prices cut by \$188 million."

"Prostheses accounts for around 14% of the cost of an average hospital policy. \$188 million in cuts equates to an average saving of around over \$34 per policy."

"The private health insurance industry has committed to pass on to consumers all savings achieved through prostheses pricing reform."

"The hirmaa health funds only exist to serve their policyholders, not shareholders, and so are keen to keep premiums as low as possible. All our funds have provided an iron clad commitment to pass on every single dollar of savings to consumers once they have been realised," Mr Koce said.

"We are pleased that the Minister for Health has listened to the concerns of the private health insurance industry and acted to place the interests of consumers before the profits of large international medical device manufacturers."

"The fact that the Minister for Health has recognised that in order to put downward pressure on premiums, action must be taken to reduce service provider costs in key areas, such as medical specialists, hospital operators and prostheses is welcome. These reforms are a clear sign that the Government is serious about helping improve the affordability of private health insurance".

"The health insurance industry looks forward to continuing its work with the Federal Government to identify further opportunities for prostheses savings through the ongoing reform efforts of the Prostheses List Advisory Committee (PLAC)," Mr Koce said.

"We also welcome the efforts to deliver further savings for consumers by improving informed financial consent obligations in public hospitals and improving transparency to address excessive out of pocket charges imposed by some medical specialists."

hirmaa is the peak industry body for 24 health insurers which are not- for-profit, member-owned and community based. In all, the hirmaa funds provide private health insurance to over 1.7 million Australians.

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Further enquiries:

Matthew Malone
(03) 8831 3371