

MEDIA RELEASE

Australia's peak body for member-owned and not-for-profit health insurers, hirmaa, welcomes discussion on ways to improve the Australian health system.

The Australian health system is facing a number of significant long term challenges that cannot be ignored and it is important that the reforms suggested by the Commission of Audit be discussed.

"With gross Commonwealth debt already at around \$300bn, we must look at ways to meet the growing challenges of an ageing population of baby boomers, expensive medical treatments and rapid growth in the incidence of chronic diseases" said hirmaa CEO Matthew Koce.

Total spending on healthcare in Australia has increased by 122% in the 10 years to 2011-12 when it totalled \$140bn, roughly equating to \$6,200 per person per year and growing.

The Productivity Commission predicts that without a new round of reforms, health care expenditure by Australian Governments will increase from around 6.5% of GDP in 2011-12 to nearly 11% of GDP in 2059-60.

"It's critical that the Federal Government engages with interest groups to discuss a new round of national health reforms. The Commission of Audit report with its focus on maximising the contribution of the private sector, provides an important starting point for this discussion" said Mr Koce.

The private health sector is already doing much of the heavy lifting when it comes to the delivery of healthcare in Australia but under the right policy settings, has the potential to do much more.

Increasing the number of Australians with private health insurance is critical because it reduces the burden on the public health system, freeing up services for those most in need.

Indeed, total benefits paid by insurers over the previous 12 months alone were around \$15.6bn with approximately 11 million Australians having health insurance.

hirmaa is the peak industry body for seventeen private health insurers which are member-owned and not-for-profit. In all, the hirmaa funds provide private health insurance for approximately one million Australians.

6 May, 2014

Further enquiries:

Matthew Johnson
(03) 9896 9371