

MEDIA RELEASE

hirmaa rejects calls to remove PHI rebate

hirmaa, Australia's peak body for member-owned and community-based private health insurers, has rejected calls to scrap the private health insurance rebate.

hirmaa CEO, Matthew Koce, labelled the Australian Council of Social Services' claim that the private health insurance rebate has not reduced pressure on public hospitals, as "seriously misguided".

"ACOSS would do well to consult industry figures showing that private health covers almost 50% of the population, paying almost \$17 billion in benefits each year, before calling judgment on the effectiveness of the rebate", said Mr Koce.

Indeed, Australian Institute of Health and Welfare data demonstrates that around 41% of all procedures occur in private hospitals, including 2 out of every 3 procedures involving elective surgery.

"Changes to the health insurance rebate would put significant pressure on many families to drop their cover or downgrade to lower-cover policies, putting more pressure on the already overstretched public system."

"It is worth noting that many of these families certainly are not the most well-off in society, in fact, those with the lowest incomes, have by far the most to lose"

Means testing of the rebate means that households earning the least income, receive the greatest rebate.

Mr Koce pointed to ABS findings showing that 33.4% of those living in areas of the lowest socio-economic advantage, hold private health insurance.

"The ABS Australian Health survey quite clearly demonstrates that private health insurance is not just for the wealthy, rather, it is an important support across all sectors of society and continued support for PHI is crucial to access to high quality health services".

hirmaa is a peak-industry body representing 17 member-owned and community based private health insurance funds. Collectively, hirmaa funds provide insurance to over 1 million Australians nation-wide

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