

MEDIA RELEASE

Government announces lowest Private Health Premium increase in a decade

Matthew Koce, CEO of hirmaa, the peak body for 20 of Australia's not-for-profit, member owned and community based health insurers has welcomed today's announcement of the lowest private health insurance premium increase in a decade.

"We are particularly pleased that the average premium increase of 4.84 per cent represents the third consecutive year in which this figure has fallen." Mr Koce said.

"The private health industry has been working very hard with Government to try and improve affordability and choice for consumers and today's announcement is a clear reflection of that."

"The not-for-profit, member owned and community based private health insurance industry remains committed to continuing efforts to drive improved value for consumers."

"Affordability is central to the sustainability of the health system and the not-for-profit health insurance sector is keen to continue its constructive engagement with the Government to improve efficiencies, reduce costs and enhance consumer empowerment through greater transparency of pricing and performance throughout the entire health supply chain."

"While the not-for-profit, member owned and community based private health insurers operate on wafer thin margins and return around 90 cents in the premium dollar back to consumers as benefits, the same cannot always be said of private hospital operators, medical practitioners and medical device suppliers."

"Therefore we are particularly pleased at the Government's focus on reforming the regulation of medical devices, such as implantable hips, knees and pacemakers."

"It has been conservatively estimated that excessive charging by some of the large multinational medical device companies is inflating costs by over \$900 million a year. That equates to around \$171 on the average hospital policy."

"It is outrageous that identical medical devices sold overseas in comparable western countries, such as France, can be over 300% cheaper than in Australia."

"While we acknowledge that the Government has made a great start on regulatory reform of medical device pricing, there is still a long way to go and we congratulate the new Minister for Health, Greg Hunt, for so actively engaging with the private health sector since his recent appointment."

"The not-for-profit, member owned and community based health insurers play an important role in driving competition within the private health sector and the timely announcement of the 2017 premium round will allow consumers plenty of time to shop around."

"With something as fundamental as health, it is important that consumers look not only at the price of a policy but also at what it covers and with over 30 funds to choose from, there is plenty of choice."

"Because the not-for-profit, member owned and community based health insurers don't have to serve shareholders and are entirely focused on meeting the needs of their members, they achieve very high levels of customer satisfaction. Independent research shows an average customer satisfaction score across participating hirmaa health insurers of 98%."

“Given their member centric approach, it is little wonder that hirmaa member funds are leading the private health sector in terms of policyholder growth and member retention.”

“It is important that people shop around for the best policy for them and their family, and hirmaa member funds are an excellent place to start” Mr Koce said.

The latest premium round will come into effect on 1 April 2017.

hirmaa is the national peak body for 20 not-for-profit, member owned and community based health insurers which together provide private health insurance for over one million Australians. Private health insurers deliver close to \$19 billion dollars in benefits each year with the not-for-profit funds returning around 90 cents in the premium dollar as benefits to their policyholders.

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