

## MEDIA RELEASE

### **Not-for-profit, member owned and community based health insurers welcome efforts by the Australian Government to improve affordability of private health insurance for consumers**

Matthew Koce, CEO of hirmaa, the peak national body for 22 not-for-profit, member owned and community based health insurers, has welcomed the Federal Health Minister's release of an options paper seeking to address the massive growth of private patients in public hospitals.

'All the evidence appears to point to a growing culture of coercion and intimidation within the public hospital system.'

'The official data released as part of the Minister's Options Paper paints a damning picture. It is shocking that public patients had a median waiting time of 42 days for elective surgery in a public hospital, while it was just 20 days for patients who used private health insurance to fund all or part of their public hospital admission.'

'What we are seeing is the formation of a two tiered public health system. Those that can afford to pay appear to be given Rolls Royce, first class treatment in the public system. Those that cannot afford to pay are being left to languish on long waiting lists that can extend into the months and even years.'

'It is deplorable that the median wait time for something as simple as cataract surgery, in the public health system, is 113 days for those without health insurance compared to only 18 days for those with health insurance. For those needing a knee replacement it is even worse, the median wait time for those without health insurance is a staggering 203 days as opposed to 67 days for those with health insurance.'

'We have to question if the public health system is becoming 'Americanised'. Australia is supposed to have a free and universal public health system that prioritises treatment based on health need, not the patient's capacity to pay. Therefore we welcome the fact that Minister Hunt is turning his attention to this issue as a matter of priority.'

'We regularly hear horror stories about patients in the public system being placed under enormous pressure to use their health insurance. We hear of instances where sick and vulnerable patients and their family, are told that their admission and treatment cannot be guaranteed unless they use their private health insurance.'

'The level of coercion taking place in the public hospital system is sickening and explains why there has been such a rapid escalation in the number of patients using their private health insurance in the public system. Overall the number of private patients in public hospitals increased by 28.6 per cent, compared with the number of public patients which increased by 13.7 per cent over the period 2012/13 and 2015/16.'

'At the consumer level, that translates into average increase of benefits paid by private patients in public hospitals per family from about \$310 to \$440, or 42%, over the five years from 2010/11.'

**'If the number of private patients in the public sector had grown at the same rate as private patients in private hospitals over the period since 2010-11, premiums in 2015-16 would have been about 2.5 per cent lower than they actually were.'**

'A thorough investigation into the behaviour of public hospitals is long overdue and we very much look forward to contributing to the reform options outlined in the Minister's paper' Mr Koce said.

*hirmaa is the peak industry body for 22 health insurers which are not-for-profit, member-owned and community based. In all, the hirmaa funds provide private health insurance to well over one million Australians.*

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