

## MEDIA RELEASE:

---

25.01.2017

### **Health funds deliver lowest premium increase in close to two decades**

Matthew Koce, CEO of Members Health, the peak body for 23 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 17 years.

"We are particularly pleased that the average increase of 3.95 per cent represents the fourth consecutive year in which premiums have fallen." Mr Koce said.

"This contrasts favorably with the public health system, where Australian Government expenditure on public hospitals has increased by a massive 8.4% in real terms."<sup>1</sup>

"The health insurance industry has been working tirelessly with Government to try and improve both affordability and value for consumers, today's announcement of a historically low premium increase is a clear reflection of that."

"The not-for-profit, member owned and community based health insurers exist only to serve their policyholders and remain committed to continuing efforts to drive improved value for consumers."

"Affordability is central to the sustainability of the entire health system. 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 service provider chain."

"While the not-for-profit, member owned and community based health funds operate on wafer thin margins and return around 90 cents in the premium dollar back to consumers as benefits, the same cannot be said of the large corporate hospital operators, medical specialists and prostheses companies."

"Members Health congratulates the Minister for Health, Greg Hunt MP, for working with the private health industry and leading reforms that will reduce pressure on the more than 13.5 million Australians with health insurance."

"The Government's \$188 million cut to prostheses prices has helped reduce health insurance premium increases by around 1 percent, resulting in a much lower premium adjustment than would have otherwise have been possible." Mr Koce said.

"The alliance of Members Health funds exist only to serve policyholders, so are entirely committed to passing all savings directly on to consumers. We have done this following the Health Minister's announcement of \$188 million in prostheses cuts and we look forward to continuing to work with the Health Minister to pursue additional cost savings in the health system, whether that be in prostheses or growing medical specialist and corporate hospital costs."

---

<sup>1</sup> [www.aihw.gov.au/reports/health-welfare-expenditure/health-expenditure-australia-2015-16/contents/summary](http://www.aihw.gov.au/reports/health-welfare-expenditure/health-expenditure-australia-2015-16/contents/summary)

### **Putting members' health before profit**

A. 601 Canterbury Road, Surrey Hills, VIC 3127 P. PO Box 172, Box Hill, VIC 3128

T. (03) 8831 3372 E. [info@membershealth.com.au](mailto:info@membershealth.com.au) W. [membershealth.com.au](http://membershealth.com.au) ABN. 43 358 871 550



“While the Members Health funds are not-for-profit, member owned and community based, the same cannot be said of the large corporate hospitals, big and powerful multinational prostheses companies or medical specialists, all of whom are the drivers of health inflation and rising premiums.”

“Data from the Australian Bureau of Statistics (ABS) consistently shows that specialist medical practitioners are among the highest paid occupations in the country. We also see massive profits being generated by some of the large corporate hospitals and multinational device conglomerates.”

“It is staggering that hospital executives are among the highest paid people in the country with four executives in the private hospital group, Ramsay Health, receiving massive salaries and bonuses of over \$44.4 million last financial year.”

“It is no-wonder that luxury European cars dominate the executive and medical practitioner car parks at our hospitals. We want to see more Fords and Holdens and fewer BMW style cars in those surgery car parks.” Mr Koce said.

“Members Health welcomes efforts by the Federal Health Minister to reign in excessive service provider costs through the establishment of Government Committees to improve transparency and address out of pocket fees charged by medical specialists and instances of high cost low value care.”

“With large sums of taxpayer money and over 90 percent of all health insurance benefits going to health service providers, it is critical that medical specialists, private hospitals and device manufactures all be held to the same high standards as private health insurers when it comes to transparency and accountability.”

“As with health insurers, all medical specialist, hospital and prostheses pricing and performance data should be made available to consumers and their GPs through an online portal run by Government.”

“Only by shining a bright light onto medical specialists and hospital performance and pricing can we hope to empower informed consumer choice and ensure everyone operating in the health system is accountable.”

The latest premium round will come into effect on 1 April 2018.

*Members Health is the national peak body for 23 not-for-profit, member owned and community based health insurers, which together provide health cover for over 1.7 million Australians. Private health insurers deliver close to \$20 billion dollars in benefits each year. The Members Health funds return around 90 cents in every premium dollar back to their policyholders as benefits.*

*Independent research shows an average customer satisfaction score of 97% across participating Members Health funds.*

Further enquires:

Matthew Malone  
Director of Policy, Industry and Government Relations  
(03) 8831 3372

## Putting members' health before profit

A. 601 Canterbury Road, Surrey Hills, VIC 3127 P. PO Box 172, Box Hill, VIC 3128  
T. (03) 8831 3372 E. [info@membershealth.com.au](mailto:info@membershealth.com.au) W. [membershealth.com.au](http://membershealth.com.au) ABN. 43 358 871 550