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Calls for all sides of politics to commit to support Australians who take personal responsibility for their healthcare

The peak body for not-for-profit, member owned and community based health insurers has called on all sides of politics to stabilise the Australian Government Rebate on private health insurance and to commit to restore it to the full 30% rebate as soon as budget circumstances allow.

“Only health insurance can provide assured access to fast, high quality and efficient treatment.”

“Until the full rebate is restored it is important that no further changes occur that would add to complexity or place added financial pressure on consumers.” Matthew Koce, CEO of Members Health said.

“Anything that undermines the Australian Government Rebate will only result in higher premiums and hurt those that can least afford it. It runs the very real risk of forcing millions of lower and middle income families into the public hospital system at great cost to the taxpayer.”

“Despite Commonwealth spending on public hospitals increasing more 8% a year¹, waiting lists extend into the years for many public patients suffering painful and debilitating conditions.”

“With over 13 million Australians holding private health insurance, if even a small percentage drop their cover, it will have devastating consequences for the already overstretched public hospital system and for the Federal Budget deficit.”

“The Australian Government Rebate is means tested, so is paid directly to families that need it most. Therefore it is very concerning that Government support for the 30% rebate is declining by around 1% per year and will fall to just 25% this year.”

“Private health insurance regulation is complicated enough as it is and anything that damages the Australian Government Rebate will only further add to that complexity, while at the same time adding to affordability pressures for consumers and driving up public hospital waiting lists.” Mr Koce said.

“The Members Health funds are all not-for-profit, member-owned and community based. They put policyholders first, not shareholders or foreign owners, running on very narrow margins and providing access to high quality cover at excellent value for money.”

According to APRA, as a group the Members Health funds return around 90 cents in the premium dollar back to policyholders in benefits and run on a net margin of around just 1.5% - whereas the wider industry average is around 5.4%. It is no wonder that the Members Health funds are growing at over 4 times the industry average.

Members Health is the peak industry body for 23 health insurers which are not-for-profit, member-owned and community based. In all, the Members Health funds provide private health insurance to over 1.7 million Australians.

¹ www.aihw.gov.au/reports/health-welfare-expenditure/health-expenditure-australia-2015-16/contents/summary

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