

## MEDIA RELEASE:

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### **Calls for all sides of politics to commit to support health reform**

The peak body for not-for-profit, member owned and community based health funds has called on all sides of politics to support genuine reform that is in the best interests of consumers.

Health insurance provides fast access to high quality care and saves lives. Without health insurance we would go very quickly from having one of the best performing health systems in the OECD to one of the poorest.

Health is a far too important to be used as a political football. While it may be well intentioned, Labor's proposal to set a 2% cap on health insurance premiums fails to address the core underlying drivers of health inflation.

The simple fact is that health costs in the public and private health systems are both rising due to the aging population and introduction of new and expensive lifesaving medical technologies. All of these costs are outside the control of health insurers.

The Members Health funds are not for profit, member owned and community based. They only exist to serve their members. They already do everything within their power to keep premiums as affordable as possible, while delivering a high quality service.

The Members Health funds speak to their policyholders every day, we know that affordability is a major concern. We are keen to work with all sides of politics to find ways to make the health system work better for our members, but a 2% cap simply won't work, no matter how well intentioned.

This year's premium increase is at a 17 year low. It was made possible only due to \$300 million in Government cuts to the regulated cost of prostheses. We believe this is just the tip of the iceberg and are keen to work constructively with all sides of politics to achieve further savings and efficiencies in the health system.

Presently there are 37 health funds competing in the marketplace. The Members Health funds return around 90 cents in the premium dollar back to consumers as health benefits. If real and tangible savings are to be found we need to focus on where and how that 90 cents in the dollar is spent.

An arbitrary cap on health insurance premiums could inadvertently drive health funds into financial difficulty- damaging consumer competition and choice, destroying jobs in small regional communities where many health funds are headquartered and leaving consumers without health cover. That would not be in anyone's interests.

Note: All health funds are required to have an independent appointed actuary sign off on premium increases. All premium increases are also scrutinised by APRA and the Department of Health and must be in the public interest. Health funds publish all their financial and performance data on a Government website portal and the Commonwealth Ombudsman provides protection to consumers.

*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.*

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



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