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Thousands of younger Australians turning to Members Health funds

Tens of thousands of younger Australians are turning to Members Health funds for their cover, proving yet again how the not-for-profit private health insurers are outpacing the industry on value and service.

APRA data analysed by Members Health reveals that between June 2017 and June 2019 more than 31,000 people aged under 40 joined our member funds, while 192,000 in the same age group left the rest of the industry.

A similar scenario emerged in the under 65 cohort. Members Health funds saw an influx of 59,000 under 65s over the past two years, while the rest of the industry saw an exodus of more than 277,000 persons insured.

“It’s no secret, the private health insurance industry is facing a declining trend of participation among younger age groups, but it is clearly not being driven by the not-for-profit insurers in our alliance,” said Members Health CEO Matthew Koce.

“In fact, the APRA figures show that if it weren’t for many of our funds, the situation facing the industry could be even worse. Younger Australians are clearly shopping around, and choosing a health fund that aligns closer with their values of members before profits.”

The 27 insurers that make up the alliance of Members Health funds are not-for-profit or part of a not-for-profit group, and represent the interests of more than 3.7 million Australians.

These latest figures come against a backdrop of sustained and healthy growth among the Members Health funds. As a group, they continue to grow across all age cohorts at around 3 per cent annually, while the rest of the industry borders on negative growth territory.

“Knowing your health insurer shares the same values of putting health above profits, trusting them to be there when it matters most and to be an upstanding member of the community are all important values for Australian consumers.”

“Australians do not want a health fund that just sees dollar signs when they are making important health-related decisions. They want an insurer that goes that extra mile – one that is for people, not for profits.”

Recent independent surveys shows that customers of Members Health funds trust their insurers well above many other iconic Australian brands, and they are also overwhelmingly satisfied with the service they receive.

“Much like the industry superfunds, not-for-profit health funds judge success on how well they meet the expectations of their members, not how much money they can make out of them to increase shareholder dividends.”

“Without the diverse group of Members Health funds, consumers would be left with yet another a duopoly scenario similar to that of Coles and Woolworths or the Big 4 banks, leaving little room for competition and choice.”

Members Health has repeatedly urged the Commonwealth Government to introduce further measures to ensure younger people, and all other age groups, have the same opportunity to access private health care.

Putting members’ health before profit

“Younger, healthier people should be helped to take out private health insurance and seize control of their health care needs,” Mr Koce said.

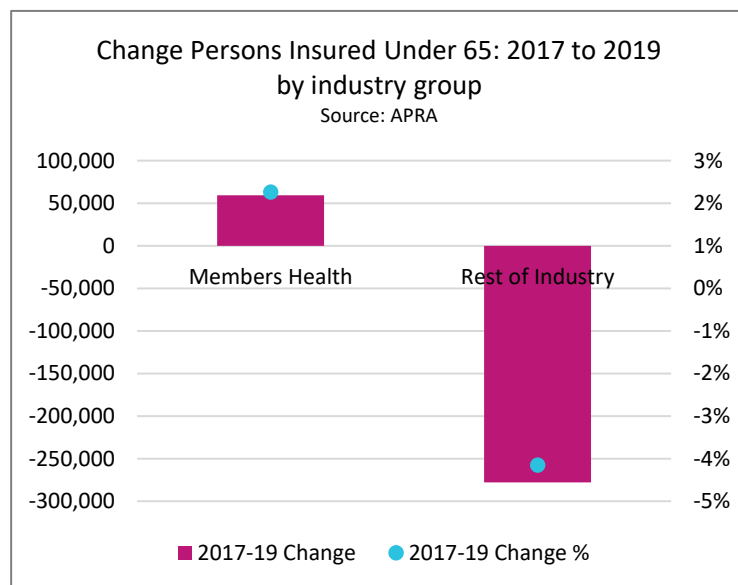
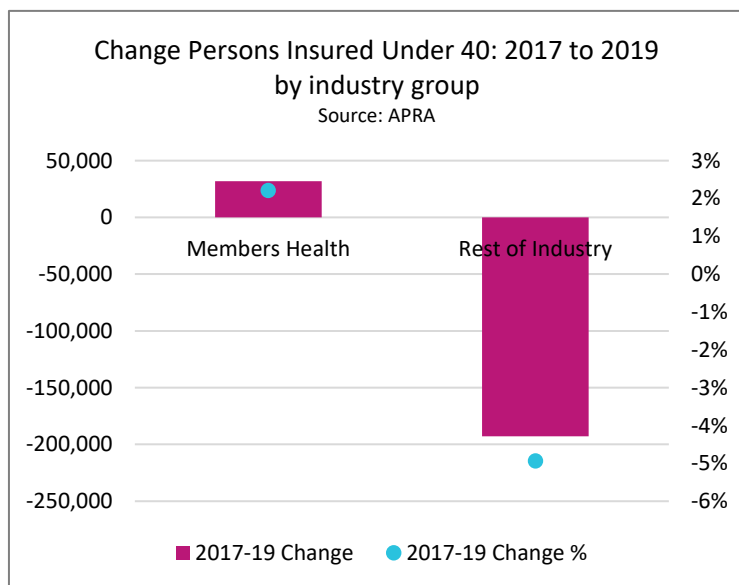
“Restoring the full Government Rebate on private health insurance is about providing that equity and fairness.”

“The Rebate is means tested, ensuring it only goes to those that need it. But cutting its value every year is exacerbating premium affordability issues and unfairly forcing younger, healthier individuals and families out of the private system.”

“As Australia’s economy returns to surplus, so too should the full private health insurance rebate be reinstated, which helps millions of Australians access vital health benefits,” Mr Koce said.

More than half of the Australian population holds some form of private health insurance and almost 70 per cent of all elective surgery and 60 per cent of all admissions involving surgery are delivered in the private sector. The Rebate costs the Government about \$6.1 billion a year, but leverages more than \$21 billion in private benefits, which millions of Australians rely on.

“As a first step, we urge the Government to at least place a floor under the Rebate to ensure it does not fall below 25 per cent,” Mr Koce said.



Members Health is the peak industry body for an alliance of 27 health funds that are not-for-profit or part of a not-for-profit group, member owned, regional and community based. They represent the interests of more than 3 million Australians.

Media Queries

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