

MEDIA RELEASE:

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Australia's not-for-profit health funds are vital to the future of the health system

The 27 health insurers of the Alliance of Members Health Funds are vital to a diverse, competitive and sustainable private health insurance system.

Providing cover for more than 3.7 million Australians, from all walks of life and all corners of the country, Members Health funds continue to buck industry trends – with continually growing memberships, excellent customer service, and quality products that provide consumers with peace of mind.

“Our funds have a compelling story to tell, and it’s a story that more and more Australians are coming to realise,” said Members Health CEO Matthew Koce.

“As a group, the Members Health funds are growing at nearly 3 per cent annually, while the rest of the industry is either stagnant or bordering on negative growth.”

“Members Health funds are run for people, not for profits and are not driven by making money out of consumers or returning profits to shareholders and overseas investors. They are driven by the simple objective of providing the best possible health care services for their members.”

“A Coles and Woolworths style duopoly or big-4 banks style market domination is the last thing consumers would want.”

“When making important health-related decisions, consumers should be able to turn to a fund that puts members’ health before profit.”

“Australians want a diverse and competitive market of health funds. They want an insurer that goes that extra mile – one that is for people, not for profits.”

APRA records show Members Health funds return on average 91 per cent of all paid premiums back to their members in health care benefits, while the larger for-profits return significantly less.

Between June 2018 and 2019, they grew by more than 100,000 persons insured, while the rest of the industry shrunk by more than 52,000, according to the regulator’s data. Over the two-year period between June 2017 and June 2019, more than 31,000 people aged under 40 joined a Members Health fund, while 192,000 in the same age group left the rest of the industry.

“It’s no secret, the private health insurance industry is facing a declining trend of participation, particularly among younger age groups, but it is clearly not being experienced by the group of not-for-profit insurers in our alliance,” said Mr 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.”

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

Putting members’ health before profit



In the most recent and glaring example of Members Health funds' continued success, global market researcher Ipsos' latest survey shows that customers of Members Health funds are vastly more likely to recommend their friends to their insurer than the for-profit funds.

"Having trust and confidence in your service providers has never been more vital.

"Without the diverse group of Members Health funds, many of which are important members of regional and industry-based communities, Australians would be left to choose from a small group of profit-driven corporations."

"This would be a disastrous result for consumers, especially when it comes to important health care decisions. It would also lead to the loss of many jobs in key regional communities, significantly impacting their economy."

"Some Members Health funds have been around for up to and over 100 years, are resilient, well capitalized and have successfully weathered many challenges."

Australia's world-leading private health insurance system hinges on the equitable, non-discriminatory principle of community rating, ensuring everyone pays the same premium for their health insurance regardless of their health status.

"Community rating is the cornerstone of Australia's private health sector because it stops the insurers from discriminating against members based on health status or claims history. No matter their stage of life, everyone should have equal access and opportunity to take charge of their health care needs."

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.

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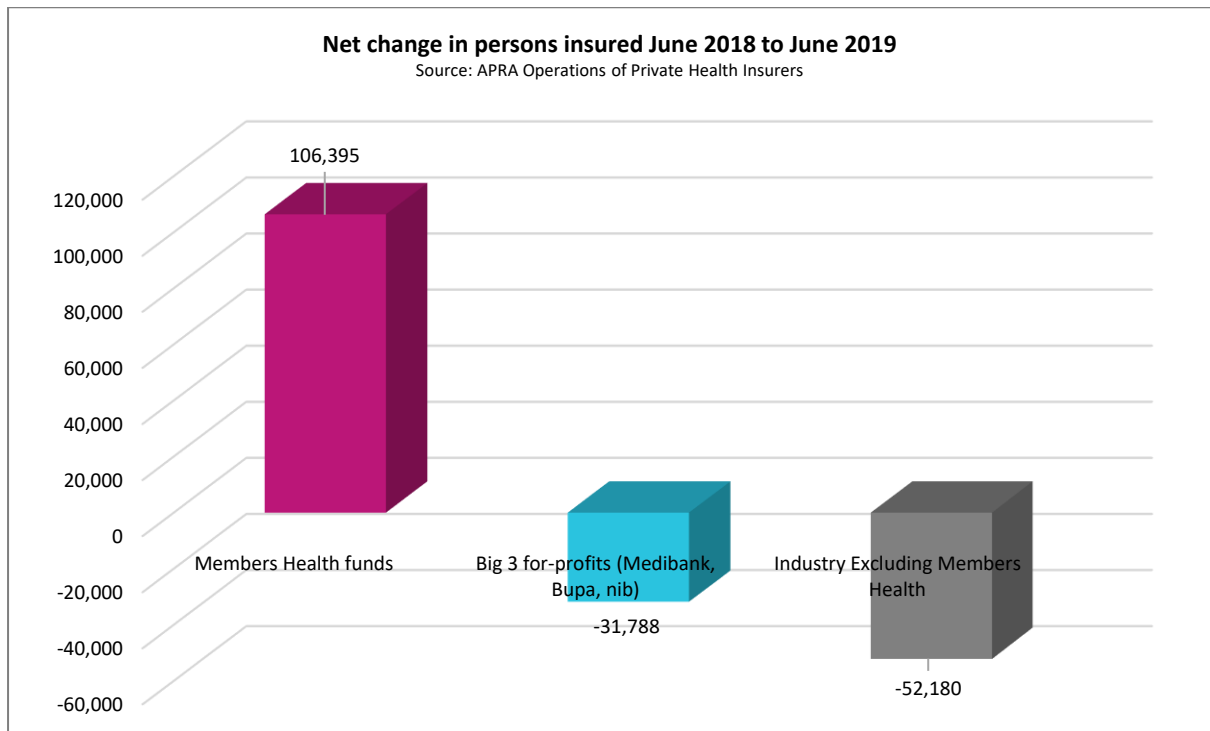
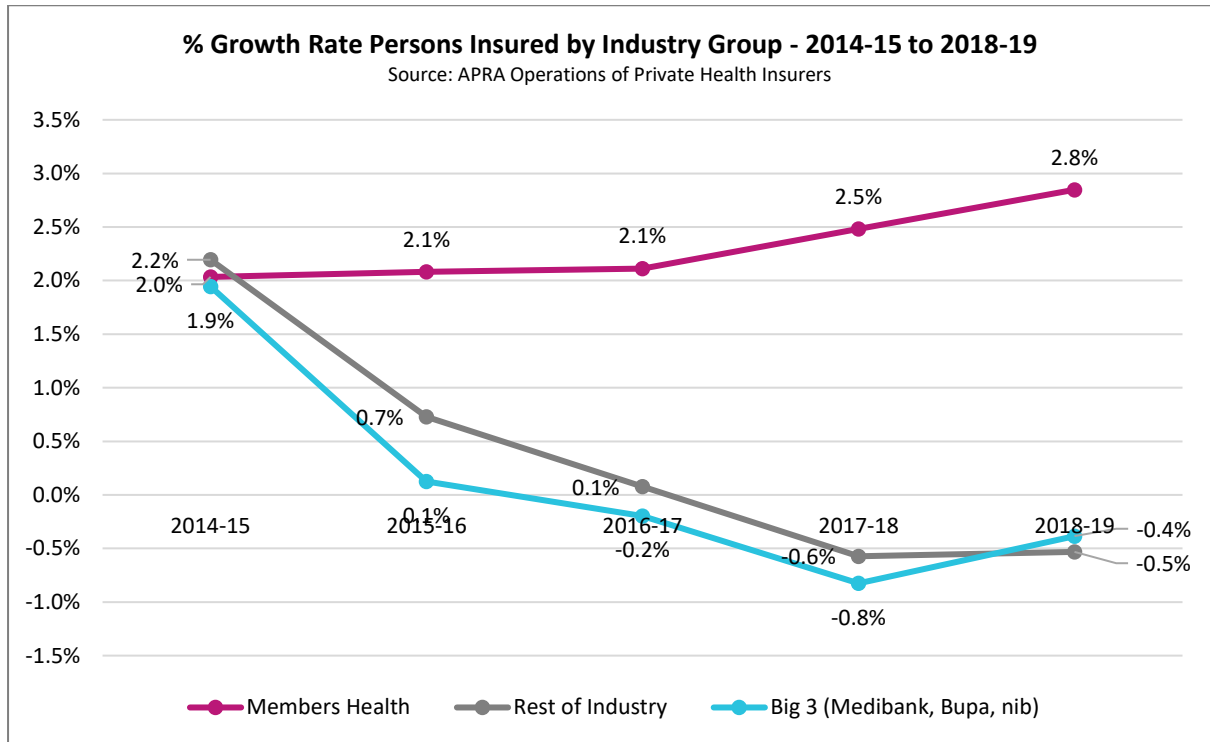
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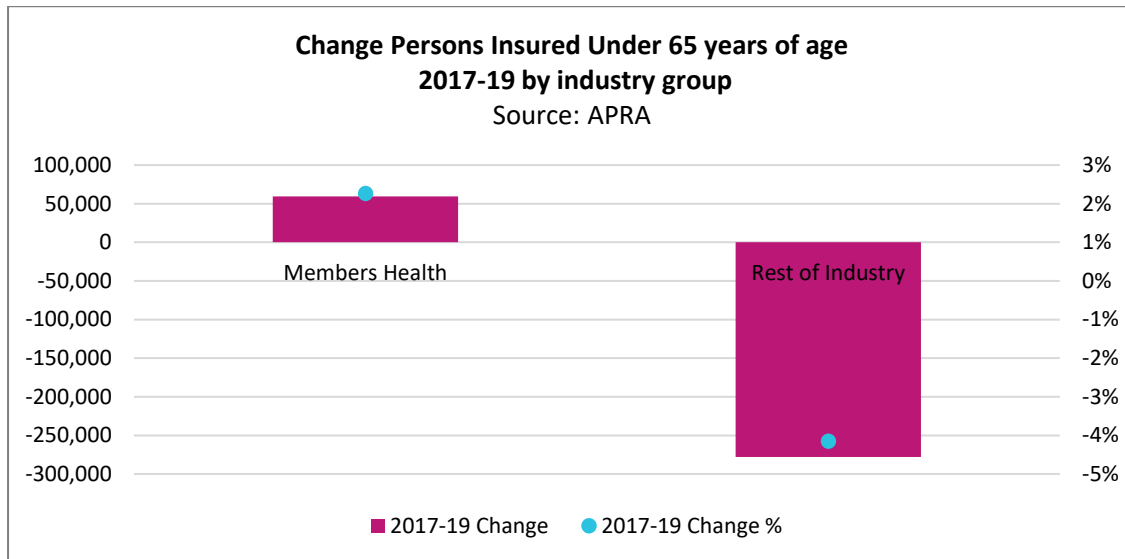
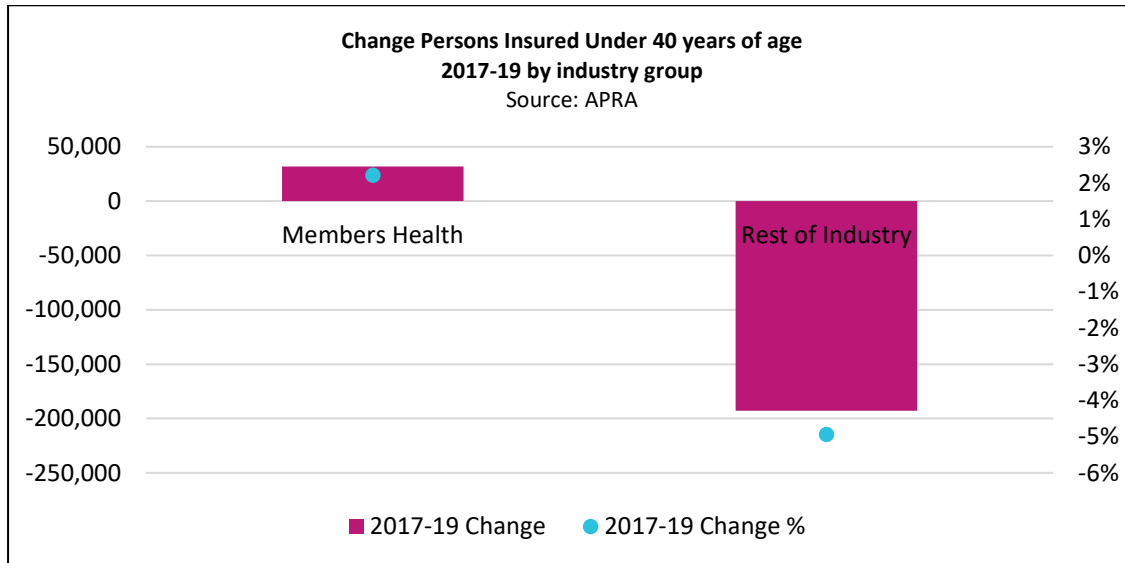
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Ipsos Health Care & Insurance Australia Report

	Recommend friends and colleagues to USE this insurer	Recommend friends and colleagues NOT to use this insurer	Or have a neutral stance on a recommendation	Net Supporter Score
Members Health*	47%	3%	50%	45%
Average big three for-profits	28%	6%	66%	22%

*Weighted for market share

*18 Members Health Funds captured in the survey findings

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