

**MEDIA RELEASE:**

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**Insurers deliver lowest premium increase in two decades, now time for Government to restore the rebate**

Health insurers have delivered the lowest average premium increase in two decades, adding to an already exceptional response to the COVID-19 pandemic to improve affordability and value for Australian families.

Matthew Koce, CEO of Members Health, the peak body for 26 funds that are not-for-profit or member owned, welcomed Health Minister Greg Hunt's announcement of a 2.74 per cent average premium increase across the industry.

"This is the seventh consecutive year that insurers have delivered record low premium increases," Mr Koce said.

"Combined with hundreds of millions of dollars' worth of customer support and hardship measures already delivered, health insurers have again proven their commitment to affordability and value for money during these extraordinary times."

"Health funds have stuck to their promises and stood by their members through the global COVID-19 pandemic. Now it is time for the Government to increase support for the more than 13.7 million Australians with health cover by ending cuts to the Private Health insurance rebate."

"When John Howard introduced the Rebate it was fixed at 30 per cent. That meant Government covered 30 per cent of the cost of every Australian's health insurance premium. The rebate now only covers 25 per cent, despite being means tested and is predicted to fall by up to a further 1 per cent every year."

"It is especially disappointing that during a major health crisis, spending on the Rebate in 2019-20 ended almost \$200 million lower than it budgeted", Mr Koce said.

"That's \$200 million that could have gone directly into the pockets of struggling Australians."

"The last thing anyone would want at this critical time is for people to be forced to drop their private cover because the declining Rebate has made health insurance more expensive."

"Having health insurance has never been more important, with the Government run public hospitals experiencing record long waiting lists as a result of COVID-19."

"Public hospital waits now extend well beyond a year and are expected to get worse. The most efficient way to reduce pressure on the public system is to help more Australians get access to private health cover."

"Private health not only assures fast access to high quality care with doctor of choice, it also reduces pressure on the overstretched public health system by freeing up beds for those that need them most. The private health system is much more efficient, so it also saves taxpayers lots of money while delivering outstanding care."

"Health funds – especially the not-for-profit and member owned insurers – are doing all they can to care for their members while also keeping premiums as low as possible. Unfortunately this is being undermined by the declining private health insurance rebate, which is pushing up prices for many Australian families."

"It's time for the Government to restore the Rebate back to the original 30 per cent," Mr Koce said.

"Long and uncertain waits for care in the public health system can take an enormous toll on mental health, result in medical complications and lead to dependency on pain killers. Government should be doing all it can to help people take back control of their health care and that can only be achieved through the private system."

*Members Health is the peak industry body for an alliance of 26 health funds that are not-for-profit or part of a member-owned group, regional or community based. They all share the common ethic of putting*

**Putting members' health before profit**



*their members' health before profit. Our funds represent the interests of more than 3.9 million Australians.*

**Media Queries**

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