

MEDIA RELEASE:

04.05.2022

Not for profits call for pledge to restore 30 per cent private health insurance rebate to help Australians access affordable health care

Members Health, the peak body for 26 not-for-profit, member owned and community based health funds, is warning all sides of politics that without strengthening the private health rebate, more people will be forced to rely on Australia's overstretched public hospital system.

The Alliance is calling on the major parties to return the Private Health Insurance Rebate to 30 per cent to strengthen healthcare choice, reduce cost of living pressures for millions of Australian families, and help ease the strain on public hospitals.

"The private health insurance rebate improves Australians access to healthcare, while providing real cost of living relief," said Mr Koce, CEO of Members Health.

The original 30 per cent rebate has been slashed by successive governments due to set and forget 'zombie legislation'. The rebate now sits at a meager 24.6 per cent. Actuarial modelling¹ commissioned by Members Health shows that if unchecked, further automatic cuts can be anticipated, with the rebate falling to as low as 22 per cent in only a few years' time.

"Erosion of the private health insurance rebate is hurting household budgets and the pain is set to get worse. Exclusive Members Health research has shown that families would have been around \$399 better off this year if the rebate remained as it was originally intended at 30 per cent," said Mr Koce.

"Many Australian families are doing it tough and with public hospital waits extending into the never-never, the last thing anyone would want is to be forced to drop their health insurance cover due to cuts to the declining health insurance rebate."

"Based on current premiums, a failure to return the rebate to its full strength could conservatively cost battling families a staggering \$2,100 over the next five years," Mr Koce added.

"The rebate is means tested so only goes to those that need it most. Setting the rebate at 30 per cent ensures fairness by making private health insurance affordable for more Australians, and it puts more money back into the family budget."

"There are currently more than 14.1 million Australians with some form of private health insurance. It's a vital part of our health system and represents a cost efficient and effective way of responding to the health needs of the Australian public."

"The rebate costs the Government around \$6 billion per annum but pays out a massive \$21 billion in private health insurance benefits to consumers each year."

"At a time when COVID-19 has hurt hip pockets and made long public hospital waits even longer, the private health insurance rebate is a sound investment, with each bed filled in the private system freeing up a bed in a public hospital so people are able to get the care they need."

Putting members' health before profit

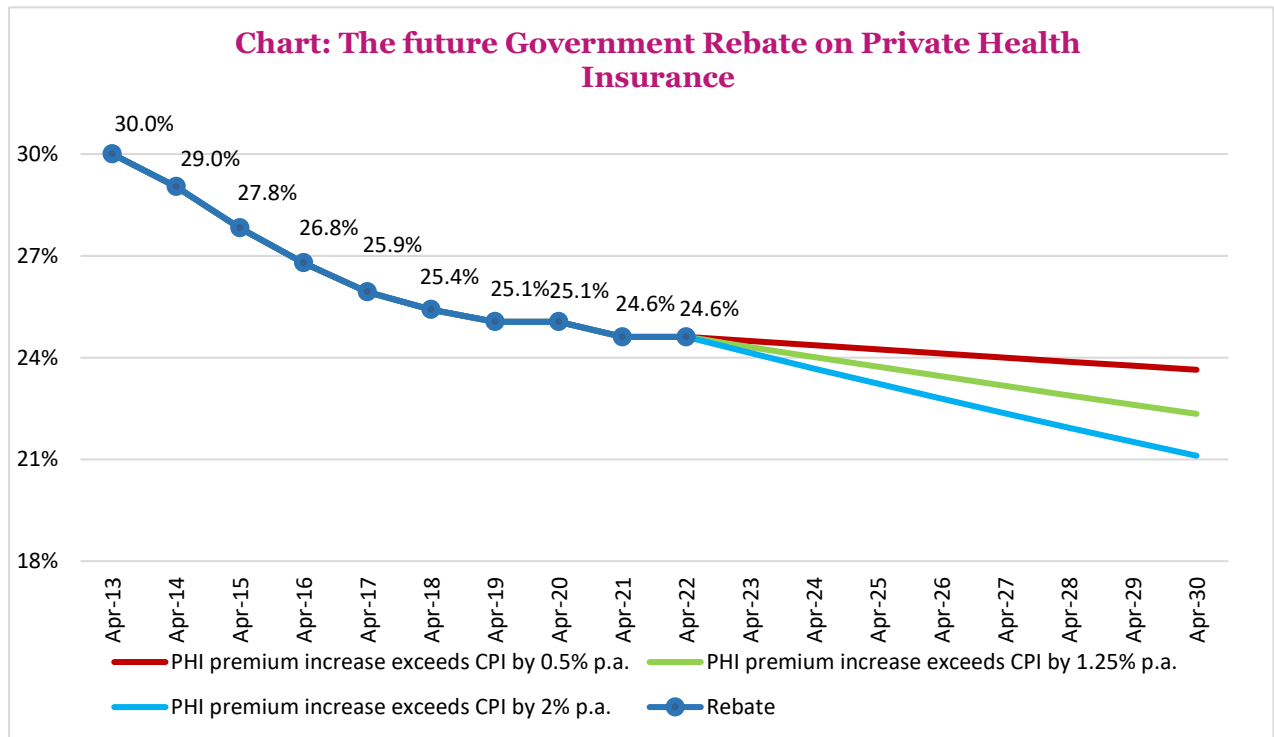
Members Health is the peak industry body for an alliance of 26 health funds that are not-for-profit or part of a member-owned group, regional or community based. They all share the common ethic of putting their members' health before profit. Our funds represent the interests of more than 5 million Australians.

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The chart above illustrating the narrowing dynamic of an indexed Rebate combined with projected annual premium rate increases.

Putting members' health before profit

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