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MEDIA RELEASE

200,000 EXTRA AUSTRALIANS NOW RELYING ON PUBLIC HOSPITALS FOR CARE

The release of official private health membership figures yesterday shows that 200,000 Australians have been discouraged from joining Private Health Insurance by the Medicare Levy Surcharge changes announced in last year's budget.

"The Private Health Insurance Administration Council (PHIAC) - the independent regulator of the private health system - figures show that the proportion of the population with private hospital cover remains static at 44.6 per cent at the end of March 2009," Dr Armitage said.

"What the PHIAC figures also show is that since the Labor Government announced changes to the Medicare Levy Surcharge (MLS) thresholds, the rate of growth in private health insurance membership has slowed from a previous rate of about 4 per cent to only half that in the March 2009 quarter.

"The AHIA estimates that without the MLS changes, private membership would stand at 9.9 million Australians, compared to the 9.7 million who are actually insured today. That means that there are 200,000 more Australians who are now relying on the public hospital system than there would have been had private membership continued to increase at the rate it was increasing prior to the MLS policy change.

"What Labor's MLS policy has done is to reduce the potential number of Australians with private cover, which results in increased pressure on our public hospital and higher premiums for those who remain insured.

"The proposed dismantling of the 30% Rebate will only compound this impact further.

"While higher premiums put greater pressure on every person privately insured, particularly those 1 million Australians with private cover who reside in households with an annual income of less than \$26,000, longer hospital waiting lists affect the health of every Australian," said Dr Armitage.

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