



Unit 17G  
Level 1  
2 King Street  
Deakin ACT 2600  
T (+61) 2 6202 1000  
F (+61) 2 6202 1001  
E admin@ahia.org.au  
[www.ahia.org.au](http://www.ahia.org.au)

## MEDIA RELEASE

**PRESIDENT**  
Mr Richard Bowden  
**CHIEF EXECUTIVE**  
Hon Dr Michael Armitage

9 February 2010

### Government Confused on PHI Numbers

The CEO of the Australian Health Insurance Association, Dr Michael Armitage, says Government efforts to justify the dismantling of the Private Health Members' Rebate by citing a growth in Private Health Insurance Membership are misleading.

Dr Armitage says ongoing growth in membership reported in PHIA's Private Health Insurance Annual Report 2008-09, demonstrates the value Australians place on having choice in health care, at a time when pressure is increasing on the public hospital system.

"The Health Minister is obviously confused when she accuses those predicting a drop in Private Health Insurance membership of being wrong. Firstly it was Treasury and Treasurer Swan who said in 2008 that 485,000 people would have to leave PHI in order for Treasury to recoup its estimated MLS policy savings.

"The Minister herself repeated the prediction in a press conference on 16 October 2008: **"And the projection of the number of people from Treasury that will drop out of health insurance is just under half a million, 492,000 people."** (Minister Roxon)

"It was the Opposition and Independent Senators decision to vote against the ill-conceived policy which led to a compromise and watered down Bill," said Dr Armitage.

"The Government's more recent attack on the Private Health Insurance Industry – the policy to means-test the Private Health Members' Rebate - will not 'ensure the .... system remains strong into the future' as claimed by the Minister, but it will force people out of the private sector and into the public hospital system, and force up premiums for those Australians who take responsibility for their own health care by taking out private health cover.

"The Minister does acknowledge that the benefits paid out on behalf of PHI members increased by 9.3 per cent in 2008-09 compared with an increase of 7.3 percent in premium revenue.

"This demonstrates the value of PHI to Australian health care and should send a signal to the Government that the health reform process should recognise the efficiency of PHI and acknowledge the role of the private sector in relieving pressure on the public system.

"Australians enjoy a quality health care system because we have a strong private health sector to complement Medicare, our universal health system. The Rudd Government's policy to means-test the Private Health Members' Rebate puts that balance at risk.