



Unit 17G
Level 1
2 King Street
Deakin ACT 2600
T 6202 1000
F 6202 1001
E admin@ahia.org.au
www.ahia.org.au

PRESIDENT
Mr Terry Smith MBE RFD ED
CHIEF EXECUTIVE
Hon Dr Michael Armitage

MEDIA RELEASE

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Medicare Levy Surcharge

“The compromise reached in the Senate on the Medicare Levy Surcharge (MLS) Threshold Bill is an improvement on the Government’s original proposal and it is recognition that maintaining a balance between public and private health is crucial to the future of Australian health care,” AHIA CEO Hon Dr Michael Armitage said today.

“In recent months Senators have given serious consideration to the impact changing the MLS threshold would have on public hospital waiting lists in their States and the increased pressure it would place on private health insurance (PHI) premiums.

“While this outcome will still impact severely on public hospitals and premiums, particularly in the current global economic circumstances, the industry will work with the Parliament’s decision.

“I regard this as an improved outcome for everyone waiting on a Public Hospital Waiting List, as the influx of patients to the public system should be less than it would have been under the Government’s original plan; it is an improved outcome for privately insured pensioners and low income earners who would have borne the brunt of upward pressure on premiums.

“This deal, brokered by Senator Xenophon, is recognition that the majority of Senators acknowledged that the public health system could not cope with the impact of the Government’s original proposal and that low income Australians who choose to remain privately insured would have been the most disadvantaged.

“The PHI Industry will continue to work to achieve better health outcomes for all Australians and to keep premium increases to the minimum necessary to deliver the best possible health care for members.

“In the last financial year Australia’s Private Health Insurance Funds paid more than \$10 billion in benefits to members, representing a 10.4% increase in benefits paid during the previous year. This percentage increase in benefits paid out on behalf of members was more than double the Private Health Insurance premium increase approved by the Federal Government,” said Dr Armitage.

Media contact: Jen Eddy 02 6202 1000