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MEDIA RELEASE

NATIONAL HEALTH AND HOSPITALS REFORM COMMISSION

The National Health and Hospital Reform Commission's interim report must recognise the efficiency of the private health sector in Australia and encourage growth in this sector as a priority.

The Australian Health Insurance Association's Chief Executive Officer, Hon. Dr Michael Armitage said the Commission should acknowledge the important role of the private sector in relieving pressure on public hospitals.

Dr Armitage said data compiled from the ABS and Australian Institute of Health and Welfare (AIHW) demonstrated the efficiency of the private sector in relation to both expenditure and hospital admissions when compared with the public hospital sector. (Graph attached).

The graph demonstrates that when one analyses the "best available data" for all in-hospital treatments performed in public and private sectors, the private sector is more efficient.

"This is important because in 2006/07, the AIHW reported that the private sector was responsible for funding 56% of all hospital episodes, including (for example) 55% of all malignant breast procedures and 70% of all same day mental health treatment," he said.

When the Prime Minister announced the establishment of the National Health and Hospitals Reform Commission (NHHRC) last year, he said:

"If you're looking at something as fundamental and as core business as that, which is how do we deal with the future structure of Australia's health and hospitals system, you must bring together the stakeholders. Private, public, State, Commonwealth, as well as those who are dealing with the preventative health care programs of the country as well." *Press conference 29 February 2008*

"The NHHRC's draft report to be released by Dr Christine Bennett on 16th February will be judged against the measure the Prime Minister has set the Commission in terms of it maintaining the important balance between the public and private sectors.



“Australia’s health system is one of the best in the world. The AIHW states that Australians enjoy the second longest life expectancy in the world, after that of Japan.

“This outcome is achieved through a strong private health sector (a record 11 million Australians have some form of private health cover) complementing our universal health system, Medicare.

“The importance of the private sector in the delivery of quality health outcomes has been explicitly recognised in the decision by the Rudd Government to exempt the 30% Rebate as part of its health system review.

“The 30% Rebate is fundamental in ensuring that private health insurance remains affordable for all Australians, especially given there are one million privately insured members living in households with an annual income of less than \$26,000.

The private health sector welcomes any NHHRC report which gives particular consideration to:

- Informed Financial Consent, ensuring that all consumers are fully informed about the cost of their treatment;
- Quality and safety outcomes for all providers being transparently available for all consumers to access when making decisions about their health care needs (including the regular publishing of infection rates in hospitals); and
- Requiring doctors to adhere to clinical guidelines.

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10 Year Change in Admitted Patient Expenditure and Admissions Public Hospitals of Private Hospitals Australia, 1996-97 to 2006-07

Data Source: AIHW Health Expenditure, AIHW Hospital Statistics, AHIA Estimates

