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MEDIA RELEASE

PRIVATE HEALTH INSURANCE ON THE INCREASE

The percentage of the Australian population with Private Health Insurance (PHI) is continuing to increase with latest figures showing that more 11.1 million Australians (52%) were insured at the end of the December 2008 quarter.

The Australian Health Insurance Association (AHIA) has welcomed the Private Health Insurance Administration Council (PHIAC) figures saying it is further evidence of the value Australians place on PHI.

“AHIA research shows that once members have used their PHI and realised its value, it remains one of their last discretionary spends, even in difficult economic times,” said AHIA Chief Executive Officer, Dr Michael Armitage.

Dr Armitage said the industry remained aware of the potential effect of the Government’s changes to the Medicare Levy Surcharge thresholds but understood that it would take some months for the impact to be measured.

“In the current global economic circumstances it is vital that the Government remains committed to a strong private health sector.”

PHIAC’s December 2008 quarter statistics show that PHI membership increased for both Hospital and General Treatment Cover.

The proportion of the Australian population with hospital cover increased by 0.1% from 44.7% to 44.8% compared with the September 2008 quarter. The largest increase in hospital membership occurred among singles with an additional 15,458 taking out cover during the December quarter. Family membership was up by 12,191 and there were increases in all age groups bringing total hospital policies from 4,615,824 to 4,643,473.

The proportion of the population with General Treatment Cover increased by 0.2 % from 51% to 51.2% compared with the September quarter.

“The December quarter figures demonstrate the important role of the private sector in delivering quality health care in Australia. PHI relieves pressure on the public hospital sector and makes a significant financial contribution to health care. For the year ending December 2008 private health funds injected \$10.6 billion into Australian health care. This represented an increase of 10% in benefits paid out on behalf of members during the previous year and is more than double the premium increase approved by the Government in 2008.”

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