

# Australian Health Insurance Association Ltd

(ABN 35 008 621 994 - A COMPANY LIMITED BY GUARANTEE - INCORPORATED IN THE A.C.T.)

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## MEDIA RELEASE

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### **Private Health Insurers Warn on Hospital Segregation**

The Australian Private Health Insurance Industry's peak body has warned that any plan to segregate Privately Insured patients from uninsured patients in the NSW hospital system would threaten the tenets of Medicare.

The Australian Health Insurance Association's CEO, Hon. Dr Michael Armitage said Medicare's objective was to ensure all Australians have access to free or low-cost medical and hospital care while being free to choose private health services.

Dr Armitage said media reports that NSW Health was considering sorting public hospital patients into insured and uninsured categories would reignite industry concerns about "equivalent payments", whereby Public Hospitals charge equivalent fees for Privately Insured patients, as if they had been treated in a Private Hospital. (*Daily Telegraph 3/4/08, p. 6*)

"The Federal Government previously confirmed that it has no plans to require private health insurance funds to make equivalent payments to public hospitals for patients who elect to be treated as private patients," he said.

"The NSW Labor Government however is attempting to circumvent this commitment and treat insured and uninsured patients differently. Such a move would have a detrimental impact on PHI industry premiums and the Medicare population, leading to more pressure on the public hospital system.

"Any move by the NSW Health Minister to classify patients based on their insurance status will threaten the principle of universal health care which underpins Medicare."

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