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MEDIA RELEASE

RECORD PRIVATE HEALTH INSURANCE MEMBERSHIP **KEEPING PRESSURE OFF PUBLIC HOSPITALS**

The Australian Health Insurance Association (AHIA) today welcomed the release of figures which show that a record 10.9 million Australians held private health insurance membership at the end of June 2008.

AHIA CEO, Dr Michael Armitage, said the release of the Private Health Insurance Administration Council's (PHIAC) June 2008 quarter statistics demonstrates the importance of a balanced health system in delivering quality health care for all Australians.

“Nearly 11 million Australians enjoy the benefits of choice that private health cover offers, and a strong private health sector takes pressure off the public hospital system,” Dr Armitage said.

The number of Australians with private hospital cover increased by 57,058 to 44.7% of the population in the June quarter, continuing a trend that has seen the number of persons with private hospital cover increase since mid-2005.

The largest increase in private hospital membership in the June quarter occurred in the 25-29 age group, with an additional 53,313 Australians in that age cohort joining private cover in the last 12 months.

“This is the very demographic the Government expects to leave private health insurance as a result of the proposed Medicare Levy Surcharge threshold changes. It would be a mistake not to encourage these people to join private cover because their membership provides support to the public sector.

“Young people joining private cover is important for two reasons – it demonstrates the private sector offers an attractive product when most people of this age think they are ‘invincible’, and their membership assists in keeping premiums affordable through our system of Community Rating.

“Today’s figures demonstrate that Australia enjoys a balanced health care system, and I would be concerned if the Australian Parliament chose to upset that balance by altering any of the main private health policy settings– the 30% Rebate, Lifetime Health Cover or the Medicare Levy Surcharge.

“The effect of any changes to the current system would be increased pressure on the public hospital system and on premiums, which would be a disastrous outcome for all Australians,” Dr Armitage said.

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