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## MEDIA RELEASE

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### Rudd Abandons Private Health

The Rudd Government's decision to dismantle the private health insurance rebate will place increased pressure on the public hospital system and force up premiums for those Australians who take responsibility for their own health care by taking out private health cover.

Every single one of the more than 11 million Australians with Private Health Insurance (one million of whom live in households with an income of less than \$26,000 pa) will have to pay more for their private health insurance as a direct result of this policy.

Labor's attack on the private health sector comes despite repeated promises from Prime Minister Kevin Rudd before and after the Federal Election that the rebate was off limits:

*"Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians."* (Kevin Rudd, 20 November 2007)

Australians have every right to be distressed at the breaking of this important election commitment.

This move to undermine the private health insurance rebate will not deliver one better health outcome for Australians. Every person who pulls out of private health cover will become an extra burden on the public system and as hospital queues continue to grow the Australian people will have the Rudd Government to blame.

Older Australians who rely so heavily on private health insurance will be hardest hit. Their rebate will be slashed and they will be forced to pay higher premiums.

This decision is negative for Australia's health care system and has not been thought through:

- How does the Government plan to administer this messy and complex policy?
- How much will it cost to administer?
- How will the State Governments manage the increasing public hospital waiting lists?
- Who will the Government blame when premiums are forced up as a result of this policy?

The Rudd Government should reconsider this ill-advised policy.

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