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Unit 17G
Level 1
2 King Street
Deakin ACT 2600
T 6202 1000
F 6202 1001
E admin@ahia.org.au
www.ahia.org.au

PRESIDENT
Mr Terry Smith MBE RFD ED
CHIEF EXECUTIVE
Hon Dr Michael Armitage

MEDIA RELEASE

SENATE CONFIRMS LONGER WAITING LISTS, HIGHER PREMIUMS AS A RESULT OF MEDICARE LEVY SURCHARGE CHANGES

The Australian Health Insurance Association (AHIA) today welcomed the release of the Senate Economics Committee's Report into the *Tax Laws Amendment (Medicare Levy Surcharge Thresholds) Bill 2008*.

"The Senate's Report confirms that the proposed changes to the Medicare Levy Surcharge thresholds will result in longer waiting lists for public hospitals and higher private health insurance premiums," said AHIA CEO, Dr Michael Armitage.

"Since this measure was announced in May, the Tasmanian Government, the Western Australian Health Minister, Professor John Deeble, Catholic Health Australia and the private hospital providers have all made statements describing the detrimental impact the proposed changes will have on our public hospital system.

"This view was confirmed by the Committee's Dissenting Report by the Coalition Senators, which stated that *'there was universal agreement that this measure would result in additional demand for public hospitals'*. Indeed, the Australian Greens in their own Dissenting Report refer to *'concerns for the impact on non-Government public hospitals, particularly those in regional areas'*.

"The AHIA remains concerned that, in addition to the impact on the public hospital system, this legislation will result in around 900,000 Australians, according to Treasury's own figures, exiting their private cover. A decline in private health membership will add to upward pressure on premiums, particularly for those 2.3 million Australians who live in households with an income of less than \$48,000 and who *choose* to hold private health membership.

"Australia enjoys a quality health care system because we have a strong private health sector to complement Medicare, our universal health system. The Rudd Government's legislation puts that balance at risk.

Media contact: Craig Simonetto 0413 722 281