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MEDIA RELEASE

Senate Report Ignores the Facts

The Senate Community Affairs Committee Report into the *Fairer Private Health Insurance Incentives Bill, 2009*, predictably ignores the impact which means-testing the 30% Rebate will have on people downgrading their private health insurance.

AHIA CEO, Dr Michael Armitage, said the Government Senators' Report quotes the "usual suspects", who have long sought to abolish any incentives for people to hold private health insurance.

"Unfortunately this Report is simply a political document which ignores the facts and makes false claims about the private health sector. For example:

"... the committee queries AHIA's assumption that there will be a direct and absolute transfer of private hospital 'episodes' to the public system. It highlights research indicating the over treatment of patients in private hospitals and the fact that private hospitals offer many treatments which are non-essential and maybe forgone."
(Senate Report, page 28)

"This Report fails to mention that according to the Australian Institute of Health and Welfare, private health funding contributes towards 56 per cent of all surgery in hospitals. This funding includes for example, supporting 55 per cent of procedures for malignant breast conditions, 55 per cent of chemotherapy cancer treatments and 70 per cent of same day mental health episodes," said Dr Armitage.

"In fact, in her media and Parliamentary statements about the legislation, the Minister for Health and Ageing herself acknowledges that there will be a transfer of patients from the private to the public Sector. All Australians, except apparently some ALP Senators who were members of the Committee, know this will happen".

"The Rudd Government's plan to means-test the 30% Rebate will increase pressure on our already stressed public hospital system, put upward pressure on premiums and punish those Australians who work hard to get ahead and take responsibility for their own health care costs.

"Based on market research, the AHIA estimates that up to 240,000 Australians with private hospital insurance are likely to exit cover as a result of this legislation. A further 730,000



Australians are likely to downgrade their level of hospital cover and an additional 775,000 persons will exit their General Treatment (Extras) Cover as a result of this policy change.

“The proposed means-testing of the 30% Rebate is bad health policy, and on behalf of the more than 11 million Australians with private health insurance, we urge the Senate to reject this legislation,” said Dr Armitage.

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