



Budget addresses affordability of health care

The Turnbull Government's 2017-18 PHI Budget measures acknowledge the high value the community places on health care and recognises the importance of the private health insurance rebate. The reintroduction of Medicare Benefits Schedule indexation and the retention of the PHI rebate will improve healthcare affordability for all Australians.

"The phased restoration of MBS indexation will reduce upward pressure on GP and specialist co-payments, which is a cost health fund members have been struggling with when they need a referral for treatment, or when they are billed by their chosen specialist. Out-of-pocket costs for medical specialist treatment are the biggest concern for health fund members when they need to access a health service," said Private Healthcare Australia CEO, Dr Rachel David.

Dr David said the Government had also demonstrated its commitment to making quality healthcare more accessible and affordable by retaining the PHI rebate.

"The private health insurance rebate is a critical element of Australia's mixed private - public health system. The private and public sectors are intrinsically interconnected and private health insurance is embedded in Australian culture. 84% of Australians with private health insurance value the product and want to keep it," she said.

"Australian health funds are acutely aware of the need for budget repair and have identified practical and achievable policy adjustments that will ensure the sustainability of the Australian health system in to the future, among them prostheses pricing reforms.

"The Government's recent announcement that the Prostheses List Advisory Committee (PLAC), will commence targeted reviews of the hip, knee, cardiac and spinal categories, will deliver significant savings to health fund members.

"Health funds have given a rock solid commitment to pass on all savings from PL reform to members. This was demonstrated in the recent premium round with the average increase being the lowest in a decade. This next round of reviews will deliver further savings.

"More than 13.5 million Australians have some form of private health insurance and almost half of them have an annual disposable income of less than \$50,000. They value their PHI and right to choose where and when they have medical care, as well as a fully trained health professional to be responsible for their care.



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“PHI pays for close to two thirds of non-emergency surgery in Australia, 90% of day admissions for mental health care and 50% of all mental health admissions, 70% of joint replacements, 60% of chemotherapy and 88% of retinal procedures take place in the private health sector. In addition, under ancillary (extras) cover, health funds pay out more than \$2.5 billion for dental care, more than the Federal Government. 90% of dental health services provided to low and middle income earners are subsidised by health funds.

“Keeping private health sustainable and premiums affordable ultimately benefits all Australians by keeping pressure off the public hospital system,” said Dr David.

Private Healthcare Australia is the peak representative body for Australia’s private health insurance industry. PHA represents 20 Australian health funds with a combined membership of 12.9 million Australians, or 96% of the sector on membership. Promoting the value of private health insurance to consumers in the Australian economy and keeping premiums affordable for our members is the number one priority of PHA members.

PHA’s CEO Dr Rachel David and PHA Chair Rob Bransby are available for interview.

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