



CHF offers no solutions to real consumer concerns

Private Healthcare Australia Chief Executive, Dr Rachel David said, “The Consumer Health Forum’s collection of articles on private health insurance released today rehashes the same comments from people who have been critical of the sector for decades, including a number of out of touch commentators and academics. There is nothing new and there are no coherent solutions on offer.

“As an industry, Australian health funds accept we can always do better and there is room for improvement. But a stream of commentary from the highly selective sample of the usual suspects is no use to consumers at all. Far from the impression you might get from hand-picked commentators in CHF’s magazine, the results from recent independent, representative, randomised surveys of 16,000 real consumers – the largest of its kind ever undertaken in Australia – reveals evidence to the contrary.

“Recent IPSOS research shows that 84 per cent of health fund members value their PHI because it gives them security and confidence they can access medical treatment when and where they need it. With pressure increasing on our public hospital system, more than ever before people with private health insurance value the fact they can choose the time of their admission to hospital and their treating doctor.

“The survey showed that consumers are highly sensitive about price and premium increases. Given that health funds are prevented by regulation to control most of their costs and are simply passive payers of costs largely generated by doctors and hospitals, we look forward to the CHF tackling the policy issues affecting the sector at their cause.

“More than 13.5 million Australians have some form of private health insurance and almost half have an annual income of \$50,000 or less. They are hard-working Australians who value their private health cover and their right to choose when and where they have medical care. The number one aspect of health consumers most want addressed is improving the affordability of healthcare. Health funds have committed to doing their part to drive out those costs they can control, and identify regulatory reform opportunities to improve affordability for policy holders.

“The CHF is belatedly calling for change in the PHI sector after a major review process is already underway. Health funds and committed stakeholders have already been working cooperatively with government on implementing the findings of the current review. Health funds have made a considerable investment towards implementing the consumer transparency policies announced by the Coalition, including the Gold, Silver, Bronze product navigation proposal.

“Private health insurance remains a critical element of Australia’s health care system. 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.

“Irresponsible allegations regarding the removal of mental health cover are categorically untrue and have the potential to unduly alarm vulnerable consumers. Health funds pay for 80% of day stay mental health admissions, 50% of all mental health admissions to hospital overall, and a range of online and telephone based services aimed at improving the mental health and resilience of the community. Mental health is a key part of the value proposition for health funds and we are committed to developing more options for mental health coverage in the lower-priced products that are favoured by young Australians,” Dr David said.