



How many low-income earners will be affected by Labor's rebate changes?

Australia's peak body representing the Private Health Insurance industry says Labor should clarify how many policies will have the PHI rebate removed and how many low income earners will be hit with big premium increases caused by this policy change.

"Labor must explain the changes it has "already announced" to the Private Health Insurance Rebate for the sake of millions of low-income earners who value their PHI. After refusing to rule out further changes to the rebate on Monday (*Catherine King, Sky News 2 April 2018*), Labor issued a clarification saying there would be no changes in addition to what had already been announced," said Private Healthcare Australia CEO Dr Rachel David.

"In the media today Labor said it would remove the rebate on so-called junk policies, but to date no-one has explained how a 'junk policy' is defined. Labor should come clean and explain how many policies are affected, who will be impacted, and by how much premiums will increase in the future as a result of this measure.

"How will this affect the 250,000 pensioners with an annual income of less than \$30,000 and the 125,000+ retirees living off their superannuation with an annual income of less than \$50,000? It is not just older Australians who will be affected by Labor's rebate measures. More than one quarter of all people with PHI (27%) have an annual income under \$30,000 and almost half of all people with PHI (47%) have an annual income of \$50,000.

"The rebate helps to keep premiums affordable, encourages Australians to take out private health cover and eases pressure on the public hospital system.

"The means-tested PHI rebate is paid to individuals on low and middle incomes to help them access non-emergency surgery, mental health care and dental care among other medical procedures. It is not paid to health funds.

"Many Australians, particularly in regional areas have accessed the benefits of private health insurance for many years by taking out basic table policies. This gives them continuity of care by a fully trained specialist in their local public hospital. What is Labor's plan for this sector and how will they make up the funding shortfall to regional public hospitals?

"The PHI Rebate is a critical component of Australia's health system. Labor needs to issue a further clarification so Australians can be clear on what exactly their plan is for private health insurance.

"This is the least people who have paid the taxes and health fund premiums over many years should expect," 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.

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