

Media Release

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Private Healthcare Australia
Better Cover. Better Access. Better Care.

New Minister to face double digit premium increases if Ramsay/KKR demands met

Private Healthcare Australia has warned of double-digit premium increases in the wake of Ramsay Health Care's threat to terminate its private hospital agreement with Bupa.

PHA CEO Dr Rachel David said the Ramsay demands would set the scene for double digit premium increases under the incoming government and increase cost of living pressure on 14 million Australian with private health insurance.

"Combined with the watering down and delay of Prostheses List reforms, as a result of a recent MOU between Government and multinational medical device companies, privately insured Australians will be hit with massive premium increases at a time when families are struggling to make ends meet.

"Ramsay is currently the subject of a private equity backed takeover by KKR and is using this negotiation as an opportunity to increase the value of the business at the expense of Australian consumers. This behaviour is entirely unacceptable and will drive up premiums at the worst possible time; it is also ethically wrong as waiting times for surgery and cost of living pressures are spiralling.

"More than 14 million Australians have private health insurance and more than 42 per cent have an annual taxable income of less than \$50,000. They are mostly retirees and working mums with children, who rely on PHI for timely access to healthcare and to keep their families well.

"If the Ramsay/KKR demands are met, it would be a disaster for health care in Australia - forcing people out of private cover with serious consequences for Australia's public hospital system.

"Health funds have done everything they can to ensuring private health insurance is affordable for families. Last year health funds delivered the lowest average premium increase in 21 years at 2.7%. Many funds have deferred premium increases coming into effect this year and are progressively returning any savings accumulated as a result of COVID lockdowns to their members."

ENDS

Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 23 Australian health funds with a combined membership of over 13 million Australians, or 97% of the sector on membership.

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