



Productivity Commission urgently needed to consider more care options given increase in mental health admissions

Private Healthcare Australia CEO Dr Rachel David says the Morrison Government's Productivity Commission Inquiry into mental health should investigate options to increase funding and support for models of care in the community.

Private health insurance is a major funder of mental health care in Australia. Health funds pay for 76% of same day mental health treatments and 56% of all mental health care type admissions. There has been dramatic growth in mental health day admissions over the last decade and the percentage of young Australians presenting to hospital with mental health conditions is increasing by 10% per year.

"Health funds are committed to funding a better mental health care environment as this becomes an increasingly important issue in our society, with social and economic consequences for all Australians. One in five Australians experience a mental health condition in a given year, and almost one in two will experience a mental health condition at some point in their lifetime. Psychiatry is now the top claim for major health funds for women in their 20's and the second most claimed item for men," said Dr David.

"As part of the PHI Review health funds successfully proposed the introduction of a mental health safety net and this came into effect on 1 April this year. This allows people who are admitted unexpectedly to hospital for a serious mental health condition to upgrade their cover immediately without serving the usual waiting periods for pre-existing conditions.

"This is important because mental health services are highly valued, particularly by younger people and some of the basic level hospital products provide limited cover for mental health services. The waiting period exemption will make it easier for patients to access care when they most need it, without facing substantial out-of-pocket costs.

"Health funds will support the Productivity Commission Inquiry and encourages a focus on investigating and addressing the lack of funding for services to be provided in the community. There is currently an over emphasis on hospital based care. Health funds are currently prevented by legislation for paying for care outside the hospital gate but we would welcome change and the opportunity to participate in the development of models of care within the community, Dr David said.

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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