



## Press Release

28<sup>th</sup> October 2015

### PHA Welcomes Public Consultation

Private Healthcare Australia's Chief Executive Officer, Dr Michael Armitage, says the Industry welcomes the Government's announcement to undertake public consultation on Private Health Insurance, and the opportunity to improve the value of PHI to the consumer.

"If the Government approaches the consultation with an open mind it will allow the industry once and for all to address a number of the myths about the industry that are propagated by opponents of the industry and people whom the industry pays for their services on behalf of our members," he said.

The myths that will be highlighted during the consultation include:

- Private Health Insurance is responsible for the high costs of healthcare (when by legislation the Industry is forced to pay the bills that providers send to us);
- that the industry is hugely profitable (when the industry regulator reports a net margin routinely between 2% and 5% - and the industry needs to be profitable to continue to provide private health insurance);
- that the industry is the only sector in the health care system driven by profit (when the fee for service payment system pays for volume of services not the value of the services; and hospital chains report strong profits on a routine basis);
- Funds contract with providers only to ensure vast profits (when the basis of most contracting is concern for the safety and quality of the outcomes for the consumer);
- that PHI Funds should have no say in the care delivered to their members (when Funds are in possession of figures indicating that prostheses which regularly fail continue to be used and there is evidence that some hospitals give people Golden Staph more often than their competitors, but Funds have no power to direct members towards better care).

The Industry looks forward to an open and fair minded consultation from the Government and to an evidence based analysis of the facts, and the opportunity to address the myths about an industry which pays for:

- 82.5% of ALL same day mental health treatment performed in Australia;
- 80% of ALL knee procedures performed in Australia;
- 72% of ALL complex middle ear infections treated in Australia;
- 65% of ALL cancer therapy (chemotherapy) performed in Australia;
- 64% of ALL joint replacement and limb reattachment performed in Australia;
- 57% of ALL hip replacements performed in Australia;
- 55% of ALL major procedures for malignant breast conditions performed in Australia on behalf of 13.2 million Australians.

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