



PHA calls for commitment to the means-tested PHI rebate

Private Healthcare Australia Chief Executive Dr Rachel David said both major political parties must commit to restoring the Private Health Insurance Rebate to 30% for low and middle income Australians or risk an exodus of members to the already overstretched public hospital system.

“The means-tested rebate helps keep premiums affordable for battlers and creating uncertainty about its future during the election campaign will cause great anxiety among those Australians who need it most.

“It’s a myth that PHI is for the wealthy. More than half of the 13.5 million people who hold PHI have disposable incomes under \$50,000 per annum. Many of these are full pensioners and superannuants who are making considerable sacrifices to maintain their health insurance.

“PHA welcomes the commitment from Minister Hunt in yesterday’s health debate to restore the rebate to 30% when the Government achieves a ‘sustainable surplus’ but both major political parties must confirm that position in order to provide certainty to the health care sector.

“If the rebate continues to be eroded (it is now at 25%) low and middle-income earning Australians, the people who benefit from the means-tested rebate, will be forced out of the private system and add enormous pressure to public hospital wait lists,” she said.

“In fact if the rebate is removed it will mean seven million Australians will see their premiums increase by 20-25%. If hospital cover drops to 30% of the population which is possible if the rebate is removed, research shows that wait lists for common procedures like knee procedures in public hospitals will blow out by 91%, even taking into account forecast increases in public hospital funding.

“Financial incentives including the means-tested rebate are a proven way to promote participation and keep private cover more affordable for all Australians. An independent study into the financing of Australia’s health system concluded that at current settings, a dollar spent by the Government on the PHI Rebate is up to 15% more efficient than a dollar directed to the public system. (Evaluate).

“Both major political parties have previously accepted the critical role the PHI rebate plays in maintaining balance in our mixed private public health system and ensuring its sustainability into the future. There is no good time to play politics with the PHI rebate - it is vital to maintaining our world class health system.”

Private Healthcare Australia is the peak representative body for Australia’s private health insurance industry. PHA represents 22 Australian health funds with a combined membership of 13 million Australians, or 97% 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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