



Press Release

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PHA clarifies reports regarding AMA's My Health Record scaremongering

Private Healthcare Australia CEO Dr Rachel David said the AMA's scaremongering about health funds accessing My Health Record data, demonstrates an astonishing level of ignorance about how private health insurance operates.

Private health insurance is based on the principle of 'community rating', which means consumers pay the same premium for the same policy regardless of their current or potential health status.

It is illegal for health funds to exclude a member, or alter their premium based on their health status or potential health status. Private health insurance differs from general or life insurance in this respect, as these are risk-rated.

Like Medicare, health funds are prevented from discriminating between people on the basis of their health or for any other reason. Therefore health insurance policies depend on the depth and breadth of cover sought but not the health background or age of the policy holder.

Someone who has battled cancer two or three times will pay the same premium for top hospital cover as someone who is healthy. In Australia we call that a fair go and our private health insurance system is proof it still exists.

This is in contrast to other types of insurance like car insurance, which are risk rated. This means the risks associated with insuring your car, such as your driving record, your age, your gender, where you live, what type of car you have, all impact the cost to you or your car insurance.

Health funds are only interested in accessing data at the secondary use level. This is population level data that has been de-identified, and is used for health systems research, that being how to improve the quality, safety and cost-effectiveness of health services and better co-ordinate patient care. This level of access has been granted to all other health system stakeholders, and health funds, most of which are also health service providers should also have access to it as well.

Health funds have repeatedly confirmed that they are not interested in any form of data from the My Health Record whereby individuals or members could be identified.

Unfortunately there is a low level of understanding about our community rated system of PHI. A recent Healthshare survey found that 70 % of GPs surveyed were either unsure or believed that if a patient discussed their medical history with their health fund, it could impact their premium. This is completely incorrect.

Community rating is a crucial part of our health system, both for Medicare and private health. It ensures that private cover is equally accessible to anyone who needs it and enables health funds to help take the burden off the public healthcare system.

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.

Media contact: Jen Eddy 0439240755