



PHI Members Value the Right to Choose When and Where They Have Medical Care

Statements by the Australian Greens today about the Private Health Insurance Industry are factually incorrect. Private Healthcare Australia CEO Dr Rachel David said consumer complaints about private health insurance have dropped significantly, the PHI rebate is keeping pressure off public hospitals, and Australians deeply value their private health cover.

Far from a 'spectacular failure of public policy' private health insurance funds close to two thirds of essential non-emergency surgery, 90% of day admissions for mental health care and 50% of all mental health admissions, 60% of cancer chemotherapy and spends more on dental care benefits than the Federal Government.

The Greens' statement contains a spectacular lack of detail about which public hospitals will be able to take on this additional work, how long patients will need to wait for services and how much taxes will need to go up without private health insurance. This is deeply disrespectful to the 13.5 million Australians with health insurance who are taking a huge burden off public services, and the thousands of medical specialists and allied health professionals who treat them.

"Complaints to the Private Health Insurance Ombudsman during the December 2016 quarter were down by 29% on the previous September 2016 quarter. The majority of the complaints pertained to IT issues that have since been addressed. The Ombudsman received 1504 complaints regarding health insurance in the September quarter dropping to 1067 complaints in the December quarter. This is a tiny percentage of the number of services provided and represents only 0.07% of PHI policies," said Dr David.

The Greens statement regarding the PHI rebate is also wrong. There have been multiple changes to legislation governing the rebate in recent years. These include:

- Means testing introduced in the 2009-10 Budget, commenced 1 July 2012, saving \$6.78B over four years;
- Indexation to CPI, uncoupling the rebate from premium increases legislated in 2012, commenced 1 July 2014, saving \$700M over four years;
- Removal of the rebate from lifetime healthcover loadings, announced in 2009-10 Budget, commenced 1 July 2012, saving \$386M over four years; and
- Freezing of the income thresholds for rebate eligibility and the MLS at 2014-15 levels through 2017-18, saving \$370.9M from 2018-2021.

"The net effect of these measures is to slow the growth of PHI rebate outlays, and in fact, taking into account a decline in numbers of people with rebate-eligible policies, expenditure on the rebate is declining from its current peak of \$5.8bn, not increasing with time.

Dr David said the latest Government statistics show that 13.5 million Australians have some form of private health insurance and almost half have an annual income of \$50,000 or less. They are hard-working Australians who value their private health cover and their right to choose when and where they have medical care.

"Recent IPSOS research shows that 84 per cent of health fund members value their PHI because it gives them security and confidence they can access medical treatment when and where they need it," she said.

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