



## Press Release

22 January 2015

### **Private Health Funds to Inject \$18 billion into Healthcare**

Private Health Funds are forecast to inject an additional \$1.4 billion into Australia's health care system in 2014-15, bringing total expenditure on private health treatments to more than \$18 billion.

Private Healthcare Australia Chief Executive Dr Michael Armitage said any increase in private health insurance premiums would reflect the increasing cost of health care in Australia and the increasing demand for health services.

"The Government has not announced details but an annual premium increase is necessary to ensure funds remain financially viable; meet statutory prudential requirements; and most importantly continue to provide members with access to quality medical treatment by covering the increasing costs of health care services.

"More than 13 million Australians have taken responsibility for their own health care by having private health cover and while a premium adjustment is never popular, most Australians do understand that an increase in the benefits paid out on their behalf requires an increase in premiums," he said.

"The private sector plays a key role in Australia's health system, with 58% of surgical procedures carried out in private hospitals. This includes chemotherapy treatment, joint replacements and other non-discretionary surgical procedures including:

- 55% of major procedures for malignant breast conditions
- 57% of hip replacements
- 60% of chemotherapy (cancer) treatments
- 64% of major joint replacements
- 71% of lens procedures
- 81% of same day mental health procedures

"The benefits paid out on behalf of their members by Private Health Funds during 2013/14 totalled \$16.8 billion, which was an increase of 9.1% on the previous 12 months."

During 2013/14 the benefits paid on behalf of members included:

- Hospital Treatment totalled \$12.4 billion – an increase of 9.1% on the previous year;
- General Treatment Benefits totalled \$4.3 billion – an increase of 9.6% on the previous year;
- Payment for prostheses totalled \$1.7 billion -up 10.8%; and
- Payments for medical specialists totalled \$1.96 billion -up 6.9% on the previous year.

*(Source: PHIAC Quarterly Reports)*

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