



PRIVATE HEALTHCARE AUSTRALIA SAYS LABOR MUST COME CLEAN ON COMPLEX REBATE CHANGES

“Labor’s latest plan to remove the private health insurance rebate from policies covering only public hospital treatment will deliver marginal savings and create confusion and panic for some consumers,” said PHA Chief Executive, Dr Rachel David.

“Labor must state clearly when it intends to introduce this policy as any retrospective change would mean some policy holders would be forced to repay their rebate. This also adds even more unnecessary complexity to a system consumers already find confusing, an issue health funds are working with Government and other stakeholders to address as a priority.

“The Opposition should define what it means by a ‘junk’ policy as this is not clear from today’s announcement. The number of policies left in the market which are truly ‘public hospital only’ is very small, and most of these are legacy products which are no longer offered to new members.

“There is a place in the private health insurance sector for lower income earners to access policies which suit their needs and are affordable. Younger people at lower risk of hospitalisation in particular benefit from affordable products which suit their risk profile, so they are not paying for health events that are highly unlikely to occur.

“While there might only be a small percentage of people affected by this move, they’d deserve to know when and how it will impact them.

“Labor’s earlier election announcement to freeze the indexation of the PHI Rebate until 2026, will have a major impact on affordability of PHI and a negative affect across the broader healthcare sector.

“Premium affordability is major issue for health fund members. Almost half of all Australians with PHI have an annual income of less than \$50,000. They are not wealthy.

“They are hard-working Australians who value their private health cover and their right to choose when and where they have medical care. Their contribution helps take the pressure off public hospital waiting lists which have on average, doubled for non-emergency surgery since the year 2000.

“They deserve to know how the hunt for savings for election announcements will impact their healthcare.

“Rather than undermining the private health sector with a thousand cuts to the rebate, Labor should articulate its plan for the sustainability of Australia’s mixed private and public health system, which has served us so well, said Dr David.

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