



Press Release

15th December 2014

Privately Insured Australians React to Means-testing

More than two million private health insurance policies have been downgraded or discontinued since February 2012 when legislation to means-test the 30% Rebate was passed by Parliament.

Industry data shows that of the 2,295,794 million policies which have been downgraded or discontinued, **877,176** policies have been downgraded, **1,083,504** hospital policies have been discontinued, and **335,114** general treatment policies have been discontinued.

This represents **37.7%** of the average number of policies held during that period.

Private Healthcare Australia Chief Executive Dr Michael Armitage said the industry had consistently cautioned that means-testing the 30% Rebate would force people out of the private healthcare sector and put increased pressure on the public hospital system.

“This data collected by PHA represents 92% of the PHI Industry and supports recent PHIAC data which shows a significant increase in hospital policies with exclusions and restrictions,” said Dr Armitage.

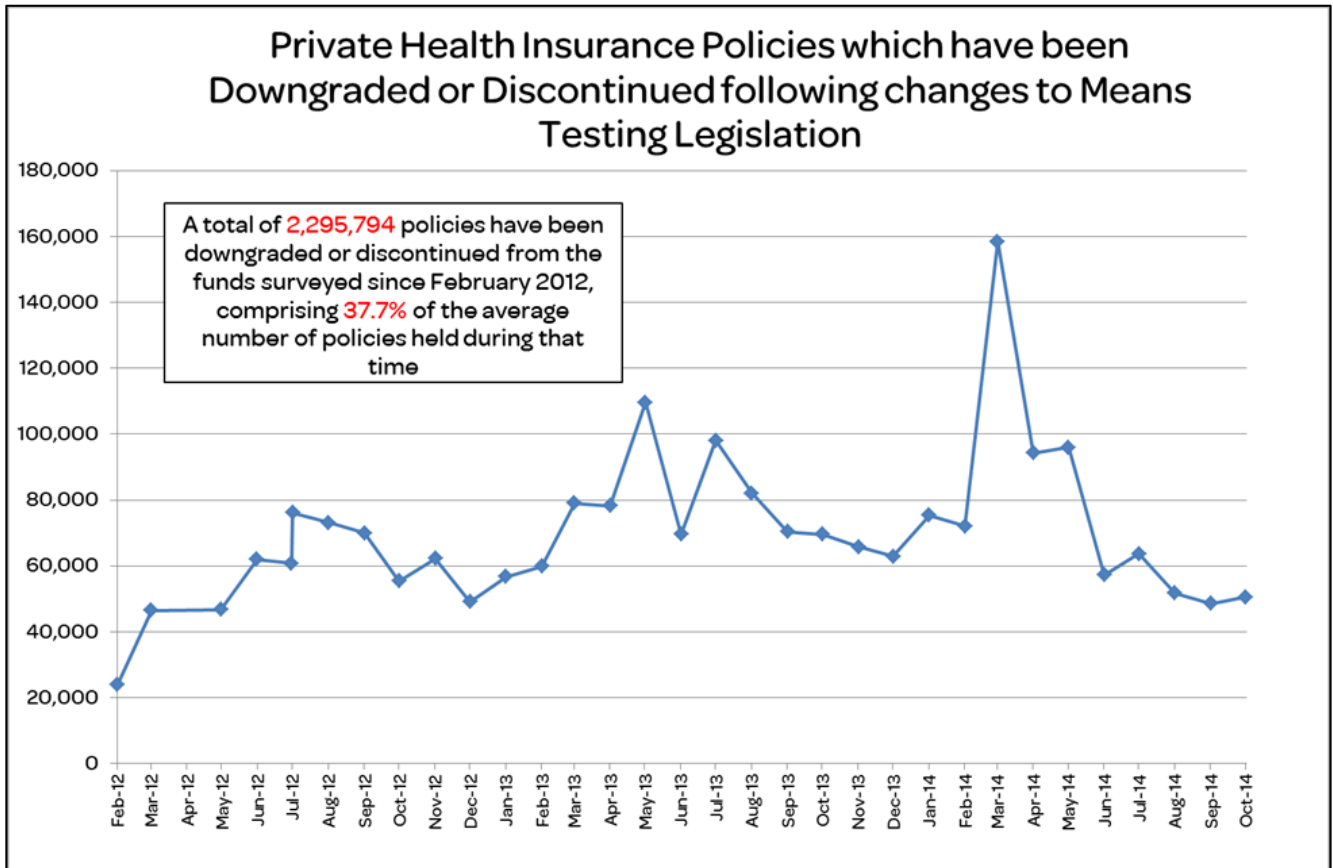
“When privately insured Australians downgrade or drop their hospital cover it will put upward pressure on premiums for those who remain in private health insurance and increase pressure on our already stressed public hospital system”.

Dr Armitage said the overall “mix” of policies held by members had significantly altered as a result of the impact of the means-testing legislation.

About 13 million Australians were covered by 6.3 million policies as at September 2014.



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