



## Press Release

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### Senate delivers historic Private Health reform package

The Senate's decision to pass the Private Health Insurance reforms today signals widespread support for Australian health funds' commitment to work with government, hospitals, consumers and specialist doctors to improve the affordability and value of PHI for 13.5 million members.

PHA Chief Executive, Dr Rachel David said this was an important day for Australia's health care system as the PHI reform package would improve transparency in private health, and make it easier for consumers to choose and use their health insurance.

"Health funds have worked together with the government and private health stakeholders for more than two years to deliver this vital package of reforms. In doing so we have gone through health fund products line by line to ensure we are keeping the balance of affordability and value for money for consumers choosing private health.

"By supporting the *Private Health Insurance Legislation Amendment Bill 2018*, the Senate has contributed towards ensuring the sustainability of Australia's highly regarded mixed private-public health system. Keeping private health sustainable ultimately benefits all Australians by keeping pressure off the public hospital system," said Dr David.

"Support for the Gold, Silver, Bronze, Basic classification system will eliminate features of the system that consumers have found confusing, improve transparency and make it simpler for consumers to use their PHI. The Private Health Ministerial Advisory Committee (PHMAC) developed this system so consumers would have access to products which are both affordable and provide value for money across all life-stages.

"Other reforms such as reducing inflated medical device benefits to be more consistent with real market value have already had a positive impact on premiums and delivered benefits to consumers. Last year's average premium increase of 3.95% was the lowest in 17 years, but necessary to ensure funds remain financially viable, meet statutory prudential requirements and most importantly, continue to provide members with access to quality health care.

"The introduction of a Lifetime Health Cover discount will help put private health cover in the reach of younger people. People aged under 30 are particularly conscious of the need for preventative dental care, treatment of sports injuries and cover for mental health problems treated in hospital. These are all things which are difficult to access without private health insurance.

"PHA supports the introduction of standard clinical terminology so consumers can compare 'apples with apples' and better navigate the system at the point of purchasing a health insurance policy. Upgrading the Private Health Insurance Ombudsman's website [www.privatehealth.gov.au](http://www.privatehealth.gov.au) will provide consumers with an independent source of advice about choosing an appropriate policy. The most important thing is consumers know what they are buying, and that their policy of choice is not only affordable, but meets their health and life stage needs. This is the core objective of this PHI reform package.

"More than 13.5 million Australians hold PHI and over half of those have disposable incomes under \$50,000 per annum. Many of these are full pensioners and superannuants who are making considerable sacrifices to maintain their health cover. The Senate's passing of the PHI Reform Bill will put the consumer at the centre of the private health system, by making it easier for them to choose an affordable product that provides value for money," said Dr David.

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