



## Press Release

24 May 2018

### State Governments must stop the cost-shifting madness and recommit to Medicare principles

“The harvesting of patients from public emergency departments and pressuring them to go private, risks undermining Medicare and the Australian health system,” said Dr Rachel David, CEO of Private Healthcare Australia.

“The AIHW Report shows that the median wait time for elective surgery for public patients (42 days) in public hospitals is twice as long as that of patients using private health insurance to fund all or part of their admission (21 days).

“This discriminating practice by public hospitals has been highlighted as an issue of national concern but the latest AIHW Report *Admitted patient care 2016-17: Australian Hospital Statistics* shows no sign that public hospitals are reducing their cash grab from the private sector.

“The report shows that admissions to public hospitals are growing faster than admissions to private hospitals, and that 1 in 7 admissions (14% or 912,000 admissions) were for patients who used private health insurance.”

Dr David said the State Government policy to raise funds by pressuring patients to use their private health insurance was disadvantaging both the public and private sectors.

“As a result of this cash grab, public patients are waiting longer for their surgery in public hospitals and the practice adds more than \$1 billion to the cost of health fund premiums per year, paid for mostly by pensioners and low income people with private health insurance.

“At best, this practice has led to anxiety and confusion in the mostly elderly medical patients affected about what they have agreed to, at worst, it undermines one of the most fundamental principles of Medicare – that patients treated in public hospitals should be prioritised on the basis of need, not the ability to pay.

“State and Territory Governments received a 6.5% increase in their annual funding in the latest COAG Agreement. This compares with a 3.95% increase for PHI in 2018-19. Public hospitals should be held accountable for how this money is spent and respect the rights of Medicare eligible consumers. The core Medicare principle of prioritising patient care on clinical need and not ability to pay should be adhered to and not undermined,” said Dr David.

*Private Healthcare Australia is the peak representative body for Australia’s private health insurance industry. PHA represents 20 Australian health funds with a combined membership of 12.9 million Australians, or 96% of the sector on membership. Promoting the value of private health insurance to consumers in the Australian economy and keeping premiums affordable for our members is the number one priority of PHA members.*

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