



Press Release

14 September 2018

The Truth about PHI Reform

Private Healthcare Australia CEO Dr Rachel David said a media report in News Ltd publications about a leaked Deloitte document was completely wrong and an example of ‘fake news’.

“For the record, the so called leaked modelling was rejected months ago by health funds, the Department of Health and the Private Health Ministerial Advisory Council.

“The Opposition would do well to check a few facts before regurgitating fake news about Australian health funds.

“The report was provided to PHMAC in April this year, and indicated a model where downward pressure on premiums could be obtained via a reduction in benefits. PHA and its member funds have been clear throughout this process, there must be premium neutrality, and *no reduction* in services provided as a result of the reform measures.

“The Deloitte modelling was peer reviewed by health fund actuaries in a formal meeting in Canberra and rejected. It was only ever an input into work-in-progress and is not reflected in the final reforms, the intent of which is to assist consumers in choosing appropriate health insurance.

“Health funds have participated in this process since 2016 as a response to concerns raised by the then Health Minister Sussan Ley, and the head of her PHI Review team, Graeme Samuel AC, that consumers find the process of choosing and using their health insurance too confusing and complex.

“This meant the current PHI reforms became government policy. PHA felt there was some legitimacy to the concerns and thus committed to work with other private health stakeholders, including making a considerable financial investment, towards a better system.

“At no point has reduction of services and benefits to consumers been on the agenda – the APRA data shows these continue to grow. Medical groups, including the AMA and RACS have been involved in the process the whole time, and signed off on the outcomes.

“Every health stakeholder had to make compromises to help consumers during PHMAC and none more than health funds,” 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.

Media contact: Jen Eddy 0439240755