



Australian Health Care Reform Alliance

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MEDIA RELEASE

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BETTER WAYS TO SPEND \$7 BILLION

The Australian Healthcare Reform Alliance (AHCRA) today called on the Government to re-direct funding for the \$7 billion private health insurance (PHI) rebate in the upcoming Budget to address key areas of inequity and under-performance.

AHCRA is a coalition of peak health organisations working together to create a better and fairer health system for Australia's future.

"Australia's health system has many strengths but there are some key areas of under-performance, inefficiency and inequity which need to be addressed as a priority," AHCRA Chair Jennifer Doggett said today.

"Some groups in our community, including Indigenous Australians, people in rural areas and people on low incomes, do not receive equal access to health care and as a result experience poorer health outcomes. This has a high economic and social cost and undermines the fairness of our society.

"We are also facing some serious health challenges, such as the ageing of our population and rising rates of chronic disease, which will put pressure on health budgets. This means that we will need to ensure health funding is allocated as efficiently as possible.

"The PHI rebate costs the community around \$7 billion a year in direct subsidies and there is no evidence that it delivers any benefits to the public health system.

"Instead it entrenches the high-cost, low equity system of private health insurance which contributes to rapidly rising health inflation, due to its inability to control rising health care costs.

"Many Australians do not receive any benefits from this tax-payer funded rebate because they are unable to afford the high cost of PHI premiums or are not able to pay the additional out-of-pocket expenses incurred when using their insurance to access private health services.

"The increasing numbers of consumer complaints about PHI reflect the rising dissatisfaction with this system of health funding and highlight why it should no longer receive subsidies from the public purse.

"International evidence demonstrates that there is a strong and direct correlation between countries' reliance on PHI to fund health care and the total cost of health care. If we want Australia to have a fair and efficient health system we need to reduce our reliance on PHI in the future.

"Therefore, AHCRA believes that the \$7 billion public subsidy for PHI could be used more effectively elsewhere to achieve better outcomes, improved efficiency and a more equitable health system.

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“In the lead-up to next week’s Federal Budget, AHCRA will be proposing a number of different options for re-directing the \$7 billion PHI subsidy into areas where it would deliver greater value to the Australian community.

“We hope that the Government will listen to these options and act in this Budget to stop PHI from draining tax revenue away from the public health system,” Ms Doggett said.

For further information or comment: AHCRA Chair, Jennifer Doggett, 0403 325 980TEXT

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**AHCRA is a coalition of health groups, including consumer, provider and service delivery organisations, working together to improve the health system for Australia’s future.*

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