



Australian Health Care Reform Alliance

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MEDIA RELEASE

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Abolish high income Medicare Levy exemptions

The Australian Healthcare Reform Alliance (AHCRA*) today supported abolishing the exemption from the Medicare Levy surcharge for high incomes earners with private health insurance, as proposed by the Australian Council of Social Services (ACOSS).

The Australian Healthcare Reform Alliance (AHCRA) is a coalition of peak health organisations working together to create a better and fairer health system for Australia's future.

"Health care costs are growing, due to the ageing of our population, the increase in chronic and complex conditions and the development of new medical technologies and treatments," AHCRA Chair Jennifer Doggett said today.

"Already many essential forms of health care, such as public dental services, community-based mental health services and chronic disease management, are under-funded. There is no doubt that we will need more health funding in the future to meet the community's growing need for health care.

"Progressive taxation is the fairest and most efficient mechanism for raising this funding as people contribute at a level related to their capacity to pay. This differs from other forms of health funding, such as private health insurance premiums and direct consumer payments, which have a much greater impact on people on low incomes than they do on the more affluent.

"AHCRA supports ACOSS's recommendation that the \$4 billion per year saved through this measure should be spent on public health services, including hospitals, dental services, community-based care and preventive health. AHCRA also recommends mental health and Indigenous health services as key targets for any new funding.

"Investing in primary health care and preventive health will improve both the equity and the efficiency of our current health system.

"International evidence shows that the most efficient health systems are those with a strong and preventively-focused primary health care system. It is always more cost-effective to erect a fence at the top of the cliff than to implement rescue and disaster management operations at the bottom.

"Supporting primary health care professionals to provide preventively-focused, comprehensive care and addressing the needs of groups who currently experience barriers to accessing care, will strengthen our health system and help prepare us to meet the health care challenges of the future," Ms Doggett said.

For further information or comment: Jennifer Doggett 0403 325 980

**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.*