



Australian Health Care Reform Alliance

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MEDIA RELEASE

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Consumer-centred review of Private Health Insurance

The Australian Healthcare Reform Alliance (AHCRA) today urged the Government to respond to growing community concern about private health insurance (PHI) by implementing a comprehensive and consumer-centred review of the role of PHI in the Australian health system.

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

"Private health insurance is a key funding mechanism for private health services and attracts taxpayer funded direct subsidies of around \$7.5 billion per year," AHCRA Chair Jennifer Doggett said today.

"Yet despite this, there has been no comprehensive review of PHI and the subsidies this industry receives. Almost 20 years after the PHI rebate was introduced it is clear that it has not achieved the goals set for it, i.e. to ensure PHI was affordable to all Australians and to take the pressure off the public system.

"It is also clear that consumers are increasingly dissatisfied with the growing costs and diminishing benefits of PHI. This demonstrates the need for a rigorous review of the current system to assess its performance against our health system goals of equity, efficiency and sustainability.

"A number of health economists and experts have outlined some of the current problems with PHI, including the lack of control health funds can exert over prices and the high administrative costs (due partly to the large number of separate funds).

"AHCRA supports Labor's policy for a Productivity Commission review of PHI, with the caveat that it must include a systematic and comprehensive consumer consultation process.

"We also call on the Government to implement a PHI review as soon as possible in order to inform future policy and funding decisions and improve the equity, efficiency and sustainability of our health system" Ms Doggett said.

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

The 8th National Health Reform Summit March 26-27 www.healthreform.org.au

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