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Public hospitals' greed pushing up health insurance premiums

Australians with private health insurance are being encouraged to use their private health insurance in public hospitals, putting pressure on insurance premiums and impacting waiting lists.

Health Minister Greg Hunt today announced a 4.8% increase in health insurance premiums, but indicated the increase could be lower if Medicare was properly utilised.

Australian Private Hospitals Association (APHA) CEO Mr Michael Roff said the association supports the efforts of government to make private health insurance more affordable.

"We know from publicly available data that in some states – NSW for example – many hospitals have more than a third of their beds used to treat private patients over public. The public hospital then claims the private health insurance from these patients – boosting its coffers.

"Australians pay for universal health care through their taxes, they should be able to access the public system when they need it, not have those beds taken up by private patients.

"For private patients treated in public hospitals, it effectively means they are paying for their healthcare twice. And we know from anecdotal reports that those patients often don't want to be in the public system in the first place.

"Imagine if those beds being used for private patients – essentially a cash grab – were being used to care for those on the public waiting list?" he said.

Mr Hunt committed to ensuring value for private health insurance customers in his media release announcing the premium increase, work supported by APHA. Mr Roff said more can be done to add value than just slashing prostheses prices.

"This public hospital greed cost health insurance funds \$1 billion each year, far more than the big insurance companies claim could be saved through further prostheses list reforms.

"Curbing public hospitals chasing private health insurance revenue could have a significant impact on preventing further premium inflation.

"I commend the Health Minister Greg Hunt for his commitment to ensuring Australians see value for money in their private health insurance, and his efforts to keep premium increases low," Mr Roff said.

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