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Private in public growth adds to premium woes

Today's figures show growth in private patients treated in public hospitals is almost twice that in the private sector, as public hospitals use dubious methods in an unseemly grab for the insurance dollar, says Australian Private Hospital Association (APHA) CEO Mr Michael Roff.

Mr Roff said the latest Australian Prudential Regulation Authority (APRA) quarterly data released today shows a significant increase in private patients in public hospitals, the result of active recruitment of the privately insured by the public system.

"There was a six percent increase in privately funded episodes of care in the public system in the past 12 months – that's more than 815,000 episodes of care every year that could have been delivered to a public patient. Growth of private patients in private sector was only 3.1 percent over the same period.

"We know public hospitals are chasing this money. It's one of the first questions patients are asked when they arrive at hospital. And public hospitals go to great lengths to encourage Australians to use their health insurance, either through offering to pay the excess, waiving out of pocket costs and offering them faster treatment.

"Data released earlier this year by the Australian Institute of Health and Welfare confirmed what we have long suspected – that patients without health insurance are being penalised by the very system that was set up to help them. Public hospitals are letting the privately insured jump the queue, while those without insurance are left on ever growing waiting lists.

"That might mean a longer, painful wait for your Mum for her hip surgery or another few months on the footy field sideline for you before you can get the ligament damage to your knee repaired. It means someone is missing out, every time.

"Public hospitals rorted \$1.1 billion in private health insurance benefits in the year to June 2017, a 5.5 percent year-on-year increase. If this practice did not occur, it is estimated health insurance premiums would be at least 6 percent lower.

"This practice is lose-lose for Australians and is having a significant impact on the affordability and sustainability of the health system. Those patients using their private health insurance in the public system are unwittingly adding to the waiting list burden felt by their neighbour who does not have insurance.

"Medicare was designed so all Australians had access to health care. Now the public system is actively working against that ideal, leading to longer waiting lists, higher premiums and the two-tiered health system Australians dread," Mr Roff said.

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