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Better access: private health insurance reform

More young people in the private health system and easier access to mental health services are key features of today's private health insurance reform package that the Australian Private Hospitals Association (APHA) has long been advocating for, but concerns remain about the lack of action on junk policies, says APHA CEO Mr Michael Roff.

"We welcome better mental health cover, premium discounts for young people, increasing maximum excess levels, maintenance of Second Tier benefits and addressing the growth of private patients in public hospitals as these have been key to our discussions with Government in recent years.

"This package should result in simpler private health insurance products that are easier to compare, are more affordable and give Australians a better understanding about what services their insurance covers," he said.

"The moves to improve access to mental health services are a welcome change, particularly during mental health week. Private hospitals make a significant contribution in mental health, caring for more than 37,500 Australians each year.

"Instant upgrades for people requiring in-hospital mental health treatment are essential, as the majority of products do not currently provide this level of cover. Until now, people have had to wait two months before they could access care," he said.

Mr Roff said initiatives to encourage more Australians to take up or retain cover will make a huge difference to the system.

"Discounts to attract young people into private health will improve sustainability and affordability of the product for all members. We also welcome the increase to maximum excess levels which will mean people can reduce their premium without having to exclude services from their cover."

But Mr Roff said concerns remain about the issue of 'junk' policies.

"It's disappointing. Not only has the Government not addressed the issue of junk policies, it has, in fact, entrenched them with the new 'basic' category. Junk policies are a major cause of consumer dissatisfaction when they discover they don't have cover for private hospital treatment when they need care.

"If the intent of the private health insurance rebate is to take pressure off public hospitals, then there is no policy justification for applying the rebate to junk policies," he said.

Mr Roff said the next cab off the rank in terms of private health insurance reform must be to address the growth of private patients in public hospitals.

"This has the potential to moderate premiums by a larger amount than cuts to the prostheses benefits and we support Minister Hunt in his efforts to address this issue.

"This reform package provides a framework for change. It is now up to the health insurance companies to deliver simpler, more transparent products and of course, lower premiums," Mr Roff said.

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Media contact: Frith Rayner, Director Communications and Marketing: 0413 971 999