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MEDIA RELEASE

18 February 2009

Private Health Insurance Membership – December Quarter

In the December quarter of 2008, private health insurance membership grew by 54,000 people, or 0.1 percentage points.

A total of 44.8 per cent of all Australians were covered by private hospital insurance, the highest proportion of people covered for hospital treatment since December 2001.

This is the first release of membership figures for the period since the confirmation of the Medicare Levy Surcharge changes, and the second full quarter since the changes were announced last May.

The changes raised the thresholds for the Surcharge to \$70,000 for singles and \$140,000 for families, and delivered tax cuts to 250,000 Australians.

This growth in membership comes despite widespread claims of a risk of dramatically slumping membership and the crumbling of our public hospitals in the aftermath of these changes.

While this figure shows a modest slow in growth from the previous quarter, the fact is that membership has continued to increase and the sector is strong.

This is an encouraging sign considering the difficult global economic circumstances.

Given the economic circumstances, the government will continue to closely monitor membership numbers over the coming months.

The Government will continue to work with the industry to strengthen private health insurance products, to ensure the ongoing stability of the Australian private health sector.

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