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MEDIA RELEASE

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Private Health Insurance Stronger Than Ever

Figures released today show that more and more Australians are taking out private health insurance membership than ever before.

Despite recent predictions of a fall in participation rates, a total of 44.6 per cent of all Australians were covered by private hospital insurance in the June 2009 quarter.

This is the highest proportion of people covered for hospital treatment since March 2002.

The figures released today by the Private Health Insurance Administration Council (PHIAC) show that:

- 9,745,242 persons (44.6% of the population) were covered by hospital treatment policies, an increase of 43,125 people from March 2009
- 11,198,744 persons (51.3% of the population) were covered by general treatment policies, an increase of 58,091 people from March 2009
- 11,257,885 persons (51.5% of the population) were covered by either hospital, general, or hospital and general treatment combined policies, an increase of 57,724 people from March 2009.

This week the Government will seek to pass legislation that will help to ensure our private health insurance system is fair and sustainable into the future.

Currently the Government subsidises the private health insurance of all Australians, regardless of their income. Changes proposed by the Rudd Government mean this subsidy will be reduced or eliminated for higher income earners. There will be no change for low and middle income earners.

Treasury modelling estimates that after these reforms 99.7% of people will remain in PHI.

These changes will save taxpayers \$1.9 billion over four years.

If the Government continues to provide higher income earners with the full rebate for their private health insurance, taxpayers will have paid out an extra \$80 billion on the rebate by 2039-40.

Taking action now is the financially responsible thing to do.

It is fiscally irresponsible of the Opposition to block this legislation.

The Rudd Government is taking the tough decisions now in order to build a sustainable universal health care system for the future.

For all media inquiries, please contact the Minister's Office on 02 6277 7220.