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**PRIVATE HEALTH INSURANCE PREMIUM INCREASE
 A TIMELY REMINDER**

With private health insurance premiums rising an average 2.74 per cent on 1 April, the AMA is encouraging the Government to take immediate action on private health insurance reform and introduce a regulator to instill confidence into the system.

“We know private health insurance is in trouble and unaffordable for many,” AMA President Dr Omar Khorshid said.

“This week’s private health insurance premium rise is a timely reminder for Government and private health insurers to focus their attention on ensuring Australians get the best deal possible.

“Before the pandemic, private health insurance was already in trouble.

“Membership has fallen continuously for nearly five years and remains unattainable for so many people.

“The other issue is younger people continue to drop their private health insurance, while those over 65 are taking it up in increasing numbers.

“This further jeopardises the stability of the system.

“Younger Australians should be getting private health insurance but currently there’s no real incentive to do so.

“To bring young people back into the system we need to increase the value of their insurance while also decreasing pressure on premiums.

The only way to do that is through focussed reform that puts the patient at the centre – not by just cutting costs, services or care.

“That’s why we are calling for an independent regulator as part of a broader reform package – an independent ‘cop on the beat’ to protect consumers while we look at new models of care, increased value and lowered costs in the system,” Dr Khorshid said.

The AMA’s *Prescription for Private Health Insurance* report clearly shows the negative impact on premiums and affordability that young people leaving the system has had, as well as the broader impact of demographic changes.

At the same time the private health insurance sector has moved from primarily not-for-profit organisations to the current situation where almost 70 per cent of the insured population are now covered by for-profit funds.

“This shift to ‘for profit’ private health insurance funds mean the focus is changing from care to profit,” Dr Khorshid said.

“There is now a genuine threat of Australia imitating the United States where insurance companies dictate what care patients can receive.

“We are seeing more and more signs that our health system is starting to slip the same way.

“This is totally unacceptable.

“Now is the time for us to make deliberate, focused reform that ensures the hallmark of the private system – choice – is protected.

“We can and we must fix the system now.

“With all insurers offering different products, different levels of cover, and with different levels of premium increases starting tomorrow, now is also the time for Australians to shop around. The AMA’s *Private Health Insurance Report Card* can help consumers understand the complexity of the insurance sector,” Dr Khorshid said.

Background:

AMA’s Prescription for Private Health Insurance

<https://ama.com.au/articles/ama-prescription-private-health>

AMA’s Private Health Insurance Report Card

<https://ama.com.au/articles/ama-private-health-insurance-report-card-2020>

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