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**MAJOR PARTIES MUST COMMIT TO ENSURING THE LONG-TERM  
VALUE OF PRIVATE HEALTH INSURANCE AND THE  
SUSTAINABILITY OF THE PRIVATE HEALTH SECTOR**

AMA President, Dr Tony Bartone, said today that the major parties must commit to ensuring the long-term value of private health insurance and the sustainability of the private health sector in Australia should they be elected to form the next Government.

Dr Bartone said that the unique balance between the public and private sectors makes the Australian health system one of the best in the world.

“Just as we need to ensure our public hospitals are funded and supported appropriately, so too must our governments ensure that the private health sector remains strong to help meet growing community needs for high-quality affordable health care where and when it is needed,” Dr Bartone said.

“A lot of the focus this election has been on public hospitals, but we must also protect the future of the private health system.

“In 2015-16, the private sector delivered almost 70 per cent of all elective surgery and 60 per cent of all admissions involving surgery.

“The balance and harmony between the public and private sectors allows universal access to health care, which is a key feature of our world-class health system.

“The private health insurance industry, which facilitates access to private health care, has been under the microscope in recent years with a comprehensive Government review; the transition to the new Gold, Silver, Bronze, and Basic policy structure; and declining coverage rates.

“Without responsible and appropriate Government policy and support, there is the very real possibility of the private health insurance industry losing more members and declining further.

“Coverage has been falling quarter by quarter. If this trend continues, the industry’s product value and ultimate market presence could be threatened, as many commentators are predicting.

“Premiums are going up because an ever-increasing number of younger and healthy Australians are opting out of insurance, leaving a higher proportion of older, less healthy, expensive to insure patients in the system.

“This is unsustainable. Sooner or later, coverage will fall further dramatically or the industry could implode altogether. This would mean the option of private hospital access would be unaffordable for many Australians.

“The burden would fall on the already stressed public system.

“The real danger is that public hospitals will severely struggle with disastrous consequences under enormous growing demand if private health insurance becomes unattainable.

“The ultimate casualty will be genuine universal access to quality health care for all Australians – at a time when we have a growing and ageing population with significantly higher incidence of complex and chronic disease.

“It is critical that private health and private hospitals remain robust to help meet the increasing community demand for quality and timely health services.

“We need a system that continues to offer affordable, transparent, and appropriate cover to satisfy the needs of individuals and families who are under cost of living pressures.

“This will require responsible and supportive policies from the Government.

“The major parties must examine their health policies, if elected, to make sure they do not affect the sustainability of the private health sector.

“If elected, Labor must work with all stakeholders to monitor the impact of its two per cent cap on annual premium increases to maintain the long-term competitiveness of private health insurance.

“If re-elected, the Coalition must re-examine its doctors’ fees website, which totally misses the mark when trying to address patient out-of-pocket costs.

“Private health must be a core part of the next Government’s overarching vision for the future of the Australian health system.”

The AMA calls on the major parties to:

- ensure any move to establish a fee transparency website is helpful to patients. Patients want to know what their out-of-pocket cost will be for a health procedure. A website that only shows doctors' fees will not deliver this. To determine an out-of-pocket cost, patients need to know what rebates they will receive from their health insurers – some are certainly far better than others; and
- ensure a future review of private health insurance addresses insurer-related gaps, indexation of rebates, variation in rebates, and insurer contracts.

The AMA’s health policy wish list - *Key Health Issues for the 2019 Federal Election* - is available at <https://ama.com.au/article/key-health-issues-2019-federal-election>

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