

Australian Medical Association Limited
ABN 37 008 426 793

42 Macquarie Street, Barton ACT 2600: PO Box 6090, Kingston ACT 2604
 Telephone: (02) 6270 5400 Facsimile (02) 6270 5499
 Website : <http://www.ama.com.au/>



**KNOW YOUR PRODUCT - AMA MESSAGE TO CONSUMERS ABOUT
 PRIVATE HEALTH INSURANCE**
AMA Private Health Insurance Report Card 2016

The AMA today released its *Private Health Insurance Report Card 2016*, the first report of its kind, with a clear message to consumers – know your product.

AMA President, Professor Brian Owler, said the aim of the Report Card is to provide Australian families – who contribute a substantial proportion of their household income towards private health insurance – with clear, simple information about how health insurance really works.

“The AMA wants Australians to know their insurance product – and know it thoroughly,” Professor Owler said.

“With the cost of private health insurance constantly rising, and with private health insurers regularly changing what is covered and not covered by their products, the AMA believes it is important that families and individuals are better informed about the health insurance cover they are purchasing.

“Our Report Card shows that there are a lot of policies on offer that provide public hospital only cover.

“These are better known as ‘junk’ policies because they do not support patient choice of doctor or timing for health services or procedures.

“There are also a lot of policies on the market that will not provide the cover that consumers expect when they need it.

“If people have one of the junk policies, the AMA urges them to consider carefully what cover they really need.”

Professor Owler said that sometimes policies have misleading names, implying that they will provide a very high standard of benefits but, in reality, they fall into the ‘basic’ category and only provide a basic amount of benefits.

“The report card provides information on the level of benefits paid by insurers for a sample of common procedures,” Professor Owler said.

“It highlights that insurer benefits vary significantly for a given procedure, and showing how likely it is that consumers will face out-of-pocket costs.

“Premiums for private health insurance premiums will be increasing shortly, and people will be receiving advice of these rises as early as this week.

“If people are looking to save money on their private health insurance, the AMA strongly recommends that they do not get duped into downgrading to a junk policy.

“It is the AMA’s view that junk policies should be banned outright.”

Professor Owler said the AMA is very concerned about the operations of the online private health insurance comparator sites.

“These comparator sites – which are marketed as 'free' comparison sites - can earn exorbitant fees per sale from the insurers,” Professor Owler said.

“The insurer may be paying a commission to the site, either as a fixed percentage of the premium, or as a set fee per sale.

“These fees can make up a sizeable proportion of the total insurance premium.

“There needs to be a greater level of transparency, and the Government and regulators need to scrutinise these sites.”

The AMA hopes that the AMA Private Health Insurance Report Card 2016 – the first in an ongoing series - will provide consumers with useful information about private health insurance that will allow them to choose the policy that best meets their needs.

The AMA Private Health Insurance Report Card 2016 is at <https://ama.com.au/ama-private-health-insurance-report-card-2016>

17 March 2016

CONTACT: John Flannery 02 6270 5477 / 0419 494 761
 Kirsty Waterford 02 6270 5464 / 0427 209 753

Follow the AMA Media on Twitter: http://twitter.com/ama_media

Follow the AMA President on Twitter: <http://twitter.com/amapresident>

Follow *Australian Medicine* on Twitter: <https://twitter.com/amaausmed>

Like the AMA on Facebook <https://www.facebook.com/AustralianMedicalAssociation>