



Thursday, 14 February 2019

Value in health insurance: private hospital access

Australians are still accessing private hospitals in increasing numbers, easing the burden on public hospitals and taxpayers.

According to the latest Australian Prudential Regulation Authority (APRA) data released today, episodes of care in the private sector rose 1.6 percent in the December quarter, with 940,922 privately insured hospital treatment episodes.

This continues a trend that began nearly 20 years ago, with no sign of going backwards.

Australian Private Hospitals Association CEO Mr Michael Roff said the numbers show the high value Australians place on access to private hospitals.

“While it’s disappointing to see participation in private health insurance drop, we know it’s not because Australians see low value in private hospital care. Australians recognise the importance of being able to access care when they need it, with the doctor of their choice and the high quality of care provided in the private system,” he said.

Private health insurance hospital coverage dropped by 12,370 people over the quarter and 64,657 over the year to date. Participation is now at 44.6 percent, the lowest it has been in 11 years.

Mr Roff said the decline was a concern, but the increasing number of policies being sold with exclusions and restrictions would have more impact for Australians. Policies that exclude services are now at 56 percent, up 0.3 percentage points over the quarter.

“Policies that limit what people can access by excluding services look like a good idea to the consumer – they are cheaper and people are often in good health when they sign up to them. But as circumstances change, people age, develop chronic illnesses, often their policy doesn’t keep up.

“Those exclusions then mean Australians aren’t covered for services they need, and they are paying for a policy that won’t deliver the benefits they need.

“We encourage Australians to review their private health insurance policy regularly, and if it doesn’t suit their needs, revise it. Make sure when you need to, you can access a private hospital,” he said.

Mr Roff said reforms to private health insurance that begin in April should make this process easier.

“APHA has long campaigned for transparent and easily comparable private health insurance policies for Australians. We hope to see that realised with the Federal Government’s reforms,” he said.

-ENDS-

Media contact: Frith Rayner, Director Communications and Marketing, 0413 971 999