

## As health insurance premiums rise again, consumer focus will be on value

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The average 3.25 per cent rise in health insurance premiums announced today brings a respite from the higher increases of previous years and it is to be hoped will be accompanied by an easing in out of pocket costs incurred by insured consumers, the Consumers Health Forum says.

While the rise in premiums is the lowest in 18 years, it will typically add about \$160 a year in costs to households many of whom have gone without a wage rise for some years, the CEO of the Consumers Health Forum, Leanne Wells, said.

“But with the squeezing in cover of many policies and the prevalence of out of pocket costs that people on private cover are facing, consumers will want to see value for money for the thousands of dollars they pay out in premiums each year.

“Out of pocket health costs in Australia now amount to more than \$30 billion and many of those costs are borne by families who have already paid \$5,000 a year or more in health insurance premiums.

“The Government is introducing reforms from early next year which should make it easier for people to choose the level of cover that best suit their needs and budgets.

“And importantly, we are expecting to see soon the outcome of the Health Minister’s review into out of pocket costs. The Consumers Health Forum has argued for an authoritative website which would publish information about the fees for individual specialists.

“This could be a significant step towards greater transparency for consumers seeking information about charges. But information on fee levels should only be the start of the transparency focus.

“What consumers also need to access is information about the performance of specialists, such as representative data on operation outcomes of surgeons. As the Royal Australasian College of Surgeons itself says, the level of fees a surgeon charges may bear little relation to that surgeon’s performance.

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## Consumers shaping health

“Health insurance represents a sizeable share of people’s budget and given the importance of quality health care, individual performance measures should be an everyday feature of modern health care.

“The health insurance funds are making much of the fact that the latest premium increase is the lowest in 18 years. But why has it taken so long for health funds, which receive so much in government subsidies and regulatory protection to reach this point?

“The continued high costs of private health for consumers is why we continue to call for Productivity Commission inquiry into government assistance to health insurance,” Ms Wells said.

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