



Health funds must inform members of windfall gains

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Health funds must level with their members and give specific undertakings now to return the funds they save as a result of the COVID-19 shutdown of elective surgery, the Consumers Health Forum said today.

“We welcome the commitment by health funds to reimburse windfall gains to members. Independent estimates put at billions of dollars the surpluses the funds are expected to generate in coming months,” the CEO of the Consumers Health Forum, Leanne Wells, said,

“The bottom line is that particularly at this time of financial hardship for many consumers, it is members who should be the beneficiaries. It is, after all their money, paid in ever-escalating premiums.

“The funds have sophisticated business modelling and would already know the pattern of claiming in a normal year so they should be able to come up now with a reasonable estimate of their expected profits.

“The funds need to do more than give unspecified promises of returning surplus funds sometime in the future. There needs to be some form of accountable undertaking given to members now.

“The industry would retrieve some credibility if it adopted a consistent and transparent approach. The ad hoc responses taken by the industry in response to the realities of COVID-19 show yet again a failure of funds to give priority to the best interests of their members.

“If private health insurance in Australia was not previously under existential threat, it certainly is now,” Ms Wells said.

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