



# Health insurers angry at Govt focus on premiums

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The Rudd Government had the wrong priorities by planning to publish average premium increases for each private health fund while allowing poorly performing hospitals and surgeons to “float under the radar”.

The criticism came from the peak private health insurance body after Health Minister Nicola Roxon addressed its conference on “investing in the future”.

“My history might say I haven’t had a history where we’ve avoided fights in the past,” Ms Roxon told insurers yesterday.

“It’s not in my inclination to provoke them,” the minister said.

But she confirmed plans to publish average premium increases for individual health funds to allow “consumers to compare their fund’s performance with other insurers and drive competition in the market”.

Australian Health Insurance Association chief executive Michael Armitage said it could leave consumers with a distorted picture.

He also challenged Ms Roxon to devote the same effort to naming individual hospitals with higher death rates and more golden staph infections.

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Dr Armitage challenged Ms Roxon to name surgeons who operated on the wrong part of their patient’s body and whose “failure rates are worse than others”.

“She’s quite happy to let that float under the radar,” Dr Armitage said.

“I think if we went . . . into Civic today and we said to 1000 people would you rather the minister published increases of private health insurers – which they’re going to tell you anyway – or the names of the hospitals that are more likely to kill you or the doctors that are doing poorer procedures?”

“I reckon 998 of them would say I’d rather know which were poorer performing doctors and hospitals, so I think she’s got the wrong priorities.”

Ms Roxon revealed she had also brought forward the deadline for health funds to apply for premiums increases in 2010.

The new deadline was November 20 this year – a month earlier than usual.

“Each insurance application will be considered on its merits but I’m determined that the premium increases should be the minimum necessary to ensure affordability and value of private health insurance continues,” Ms Roxon said.

“This may involve requesting resubmissions as was the case for many funds last year.”

Dr Armitage questioned why officials from the Private Health Insurance Administration Council, Department of Health and Ageing, Government Actuary, Treasury, the Department of Finance and the minister’s office needed an extra month to process applications.

“I think that’s almost too long already. We

don’t have any option but to agree. The minister just said ‘this is what we have to do,’” he said.

Opposition parliamentary secretary for health administration Mathias Cormann said Ms Roxon’s words were “political rhetoric”.

“Nothing Labor does about the rate change process will stop the cost of health insurance going up by more in the years ahead as a direct result of its misguided policies on private health,” he said.

The Government was on a “crusade” against private health insurance, according to Senator Cormann who cited changes to a levy imposed on higher-income earners without private cover and plans for a means test on the 30 per cent private health insurance rebate.

From July 2010, singles earning more than \$75,000 and couples bringing in \$150,000 will see their rebates progressively cut.

Singles on more than \$120,000 and couples earning more than \$240,000 would be ineligible for the discount under the changes already blocked in the Senate.

Ms Roxon was “likely” to reintroduce the legislation in the coming fortnight when Parliament sits and warned blocking the changes would cost taxpayers about \$9 billion over the next decade.

Senator Cormann said the Government should scrap the plan and raise tobacco taxes by 5.5 per cent instead.

“Our position on Labor’s broken private health insurance rebate promise is crystal clear,” he said.

“We are opposed to it and we’re opposed to it because it’s bad public policy, it would put further upward pressure on premiums and would see more leave private health and it would put more pressure on public hospitals.”

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