



More go for health cover defying the funds' fears

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Health funds have defied their own predictions of a membership exodus because of changes to the Medicare Levy Surcharge, with latest figures revealing coverage still growing and hitting new peaks.

Health Minister Nicola Roxon yesterday used the results to claim victory in her battle with insurers over her changes to the surcharge but the industry attributes it to a continuing lack of faith in the public health system.

Private Health Insurance Administration Council figures for the December quarter show a record 1.1 million West Australians — 50.5 per cent of the population — have hospital insurance cover, up 13,000 people.

Nationally, 9.6 million people are covered, representing 44.8 per cent of population, the highest percentage since December 2001.

The Government fought a pitched battle for six months last year to raise the income thresholds at which the one per cent surcharge kicked in for people without cover.

Ms Roxon first wanted to lift the thresholds from \$50,000 to \$100,000 for singles and from \$100,000 to \$150,000 for couples, slashing the number of people trapped into taking out cover to dodge the surcharge.

However she was forced to cut a deal with crossbench senators and settle for new thresholds of \$70,000 and \$140,000 respectively, saving the

Government \$380 million over four years.

Funds campaigned aggressively to stop the changes, warning at least 500,000 members would drop their cover, forcing premiums to rise and putting further strain on hospitals.

Ms Roxon said the latest figures were first since the thresholds were changed in October and showed the sector was still strong.

“This growth in membership comes despite widespread claims of a risk of dramatically slumping membership and the crumbling of our public hospitals in the aftermath of these changes,” she said.



Nicola Roxon

But the boss of WA's dominant health fund HBF

said it was still too early to judge the impact on the industry.

“While the public health system is under pressure, people still want to have private health insurance,” managing director Rob Bransby said.

“My biggest concern is the (membership drop) will come later. I don't think the ramifications have flowed through yet.”

Opposition health administration spokesman Senator Mathias Cormann said the changes were already beginning to bite, with the rate of membership growth slowing.