

# Poll points to exodus from private health

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Expectations that hundreds of thousands of Australians will dump their private health insurance when the Medicare surcharge levy changes have been confirmed by the latest Westpoll survey.

The survey, conducted exclusively for *The West Australian*, found that 7 per cent of privately insured respondents intend ditching their cover when the changes kick in on July 1.

If Westpoll's findings are reflected across Australia, 660,000 people intend fleeing from private health insurance.

Under the Rudd Government's planned changes, the income thresholds for the Medicare surcharge will increase from \$50,000 to \$100,000 for singles from July 1. Couples will be able to earn \$150,000, up from \$100,000, before they are hit with the one per cent tax.

The Government's original estimate was that 484,000 people would leave private health insurance under the measure.

But it was revealed this week that those Treasury estimates referred only to adults and did not include dependent children.

Medibank Private managing director George Savvides told a Senate inquiry last week that his company expected the changes would see between 7 and 10 per



**Opting out: WA's hospitals could come under even more pressure as people dump private health insurance.**

cent of members drop their health cover.

The Federal Opposition, the private health insurance industry and the Australian Medical Association have all criticised the surcharge threshold changes, saying it would put more pressure on the already overstretched public hospital system.

The Government has argued that failure to increase the surcharge thresholds since their introduction in 1997 meant more and more people were subjected to the one per cent tax levy as incomes rose.

Just 8 per cent of single taxpayers exceeded the \$50,000

threshold 11 years ago but this proportion would increase to about 45 per cent within three years if the threshold did not increase.

Under the changes, the proportion of single taxpayers exceeding the threshold would be similar to 1997, or about 8.5 per cent.

WA Senator Mathias Cormann, who has pursued the issue for the past fortnight during Senate estimates hearings, said Westpoll's results were further proof that Treasurer Wayne Swan got his figures wrong when he talked of 485,000 leaving private health as a result of the

changes. Senator Cormann said the most credible estimate was that about 700,000 people would dump their cover, yet neither Treasury nor the Health Department had done any modelling on the impact of the decision on public hospitals. "There is a tsunami of additional demand about to hit the public hospital system as a result of this change," he said. "WA Health Minister Jim McGinty should be submitting a formal claim for additional funding to the Commonwealth immediately."

Westpoll's telephone survey of 407 people was conducted on the evenings of June 3-5.