



# Media Release

## Senator Mathias Cormann *Shadow Parliamentary Secretary for Health Administration*

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### **Coalition Welcomes More Extensive Rebate Inquiry**

The Coalition has welcomed the Senate's decision to refer the proposed changes to private health insurance rebates to the Community Affairs Committee for inquiry and report by 5 August 2009.

"There is no doubt that the Rudd government's proposal to means test private health insurance rebates will have a detrimental effect on our health system," Shadow Parliamentary Secretary for Health Administration Mathias Cormann said.

"This inquiry over the winter break provides an opportunity to properly scrutinise the Rudd government's broken promise on private health insurance rebates," he said.

"Even the government concedes that its private health insurance rebates measure will push up the cost of private health insurance, resulting in fewer people with private health cover and additional pressure on public hospitals.

The government admitted in Senate Estimates that as a direct result of the proposed change, the cost of private health insurance for more than 2.3 million Australians will go up by between 14.3% and a staggering 66.7%.

"The number of people the government expects to drop private health cover also increased during Estimates from 25,000 to 40,000, according to Department of Health and Ageing and Treasury evidence," Senator Cormann said.

"Access Economics also reported last week that as many as 100,000 fewer Australians could be covered by private health as a result of this measure.

"This comes on top of the 492,000 people who the government still expects to leave private cover over the forward estimates as a direct result of last year's decision to change the Medicare Levy Surcharge thresholds.

"This could mean as many as 216,000 additional public hospital admissions as a result of the two successive budget measures; additional pressure that the public hospital system simply does not need.

"The Senate's decision to refer this for inquiry by the Community Affairs Committee means that these and other related matters can now be properly explored with community and industry representatives across Australia," Senator Cormann said.

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