



# Hames forced to defend private health rebate

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State Health Minister Kim Hames has distanced himself from his own department's harsh criticism of the 30 per cent private health insurance rebate, declaring he does not want to see it scrapped.

Dr Hames was forced to defend the rebate after *The West Australian* revealed yesterday the Government's submission to the National Health and Hospitals Reform Commission had questioned its merits.

The submission cited the rebate — which discounts the cost of cover by almost \$4 billion a year for fund members — as an example of a “piecemeal” and expensive health policy that was

not working effectively.

It said Lifetime Health Cover, which sees people pay higher premiums if they join a fund after turning 30, had been more effective at increasing membership and hinted the money funding the rebate could be better spent on other services.

Dr Hames said he was strongly supportive of the rebate and insisted the WA submission did not call for its axing. “For WA families, the rebate now is a key contributor to meeting the cost of health insurance and for this reason I would strongly oppose its abolition,” he said.

The rebate, introduced by the Howard government to shore up the health insurance industry, is a touchy political issue with Prime

Minister Kevin Rudd last year forced to guarantee there would be no changes after Federal Labor was critical of it in opposition. But with the Federal Government facing a big Budget deficit and Federal Treasury mandarins known critics, it is believed the Government is considering tightening eligibility for the rebate to save money.

WA's chief insurer HBF warned cutting the rebate would be “catastrophic” for the health system. Opposition health administration spokesman Mathias Cormann said the rebate had helped restore balance in the health system at a time when fund membership was in freefall.