



**Sharon Grierson MP**  
Federal Member for Newcastle

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**MEDIA RELEASE**

**Private Health Costs Must Be Reined In**

The news that many health fund members in Newcastle are facing premium increases of up to 17% is another blow for struggling families in our region, Member for Newcastle Sharon Grierson said today. The increase means that many of the 60,000 Novocastrians covered by private health insurance will now have to find another \$216 per year for their premiums.

"This is particularly going to hurt older people in our community, especially those on fixed incomes. Many of the concerned people who have contacted my office have been contributing to health funds their whole working lives," Ms Grierson said.

"Successive premium increases over the past four years means that the value to fund members of the Government's private health insurance rebates is now zero," Ms Grierson said. "We must also remember that, because the Government pays 30% of every premium, every increase costs the taxpayer more. This year's increase is expected to add around \$200 million to the \$2.5 billion taxpayers already spend on this rebate."

"The Health Minister must stop simply agreeing every year to increased premiums, and start looking at how to rein in health costs in the private system. I would also suggest that NIB, as a dominant health insurer in Newcastle and one which has raised premiums for many of its products above the national average, contribute to the effort in reducing costs and increasing benefits to their clients."

Professor Stephen Duckett, a leading health academic, has analysed data from the Australian Institute of Health and Welfare, finding that payment per hour for private health care is generally greater than for the same operations in the public sector. Even private health funds have recently reported that some kinds of hip replacement cost over \$1,000 less in a public hospital.

"We must be looking at these issues to ensure that patients in private hospitals are receiving the most cost-effective and appropriate treatments available," Ms Grierson said.

"The Howard Government has not got the balance right between private and public provision of healthcare. It has reduced access and affordability in the public sector by running down Medicare, while at the same time being unable to control the ever-increasing costs of private sector treatments."

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