



**Sharon Grierson MP**  
Federal Member for Newcastle



## Media Release

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### PRIVATE HEALTH INSURANCE: QUICK FIX LETS NEWCASTLE DOWN

Federal Member for Newcastle, Ms Sharon Grierson, today condemned the Government's latest private health insurance legislation as yet another quick fix for a health system crying out for long term reform. Speaking on legislation to raise the 30% rebate for older Australians, Ms Grierson said the Government hasn't got the balance right between the private and public health systems.

"As the Howard Government continues to pump money into private health insurance, we continue to watch premiums escalate while our medical workforce shrinks, healthcare and medication costs escalate, and public hospital waiting lists grow," she said. "The public has the right to know if the many millions spent on proposals such as this actually improves health outcomes for Australians."

Overwhelmingly, the evidence in Newcastle is that they don't.

Last year, Ms Grierson conducted a survey of the electorate in which 68.3% of respondents with private health insurance reported that their premiums had increased, and 49.5% advised that their health fund had increased the excess payable for in-hospital services. 65.1% did not believe that they received value for money from their private health insurer, and 84.4% said the 'gap' they were paying for health services was increasing. "With results like these, it is no wonder that people are opting out of private health cover," Ms Grierson said.

The Government's legislation will not make older people join private health cover for the first time, because under the Lifetime Health Cover scheme (another 'incentive' program) premiums actually increase the longer people wait to take out cover. "Successive band-aids applied by the Health Minister have been at best ineffective, and at worst counter-productive," Ms Grierson said.

In contrast, the Medicare Gold policy taken by Labor to the last election would have met the healthcare costs of all people over 75, whether in private or public hospitals. This would have reduced the wasteful cost-shifting between state and federal governments and eliminated the need for this group to pay private health insurance premiums. Importantly, it would have also eliminated the health funds' need to pay for the services used by the over 75s, thereby giving insurers the freedom to reduce premiums for the rest of their members.

"Unfortunately, we are instead debating another piece of quick-fix legislation which will not help meet the healthcare needs of the people of Newcastle, whether in the private or public system," Ms Grierson said. "The one certainty, however, is that Australian families can expect yet another substantial increase in premiums very soon."

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