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Dear Members of Parliament,

We write to you regarding a Productivity Commission inquiry into private health insurance in Australia.

Australians need a healthcare system that allows them to lead healthy, productive lives. They need value for money on their healthcare spending and information that empowers them to make choices that are right for their health.

But Australians are facing high costs, low value and increasing complexity, contributing to a growing uncertainty of the value and function of private health insurance in Australia.

Cost pressures for Australians are rising with insurance premiums increasing by 70% in the last decade. This has outstripped the Consumer Price Index almost three-fold. Meanwhile people do not perceive that value is similarly increasing. 70% of people believe that the policies they hold are average or poor value for money.

The emergence of low value health insurance policies with co-payments, excesses and high unexpected out-of-pocket costs exacerbates this issue. Add in high levels of complexity and confusion and it's unsurprising that people are frustrated with health insurance in Australia.

If these issues are not addressed, there is the risk that people will continue to drop out of private health insurance or opt to use the public system despite paying for coverage. These scenarios risk undermining a key intent of private health insurance - to take pressure off the public system.


Our organisations represent a broad range of interests and individuals across society. However we unite under one ask; to call for a Productivity Commission inquiry into private health insurance in Australia.

A Productivity Commission inquiry could look beyond the surface issues of private health insurance and examine whether the current structures, levers and incentives are delivering the best possible health outcomes.

An inquiry of this depth would be a step forwards towards a healthcare system that works for all Australians.

We welcome the opportunity to discuss this with you further and/or organise meetings with any of our respective organisations. Please contact Campaigns and Policy Team Lead, Katinka Day on kday@choice.com.au or 02 9577 3307.

Sincerely



Alan Kirkland
CEO
CHOICE



Leanne Wells
Chief Executive Officer
Consumers Health Forum



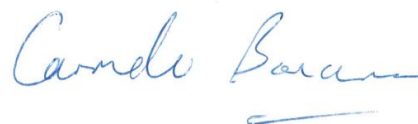
Gerard Brody
Chair
Consumers Federation of
Australia



Mark Diamond
CEO
National Rural Health Alliance



Terry Slevin
CEO
Public Health Association of
Australia




Dr Carmelo Bonanno
President
Australian Dental Association



Carol Bennett
CEO
Pain Australia



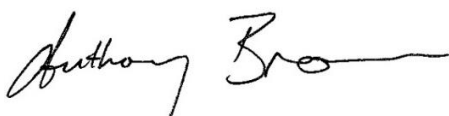
Lee Strike
National Director
YOUNG



Pip Brennan
Executive Director
Health Consumers' Council
(WA) Inc.



Julia Overton
Chief Executive
Health Consumers Alliance of
SA Inc.



Anthony Brown
Executive Director
Health Consumers NSW



Melissa Fox
Chief Executive Officer
Health Consumers
Queensland



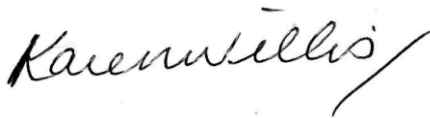
Darlene Cox
Executive Director
Health Care Consumers'
Association Inc | Canberra



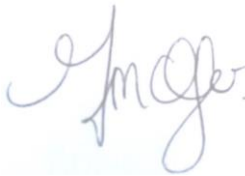
Mr John Cunningham OAM
BSc(Hons) MBBS MClInEpi
FRACS FAOrthA
Orthopaedic Spine Surgeon



Dr Sophie Lewis
Senior Research Fellow
Centre for Social Research in
Health
UNSW



Professor Karen Willis
Allied Health Research
La Trobe University
Melbourne Vic



**Associate Professor Fran
Collyer**
School of Social and Political
Sciences
The University of Sydney