



**MEDIA RELEASE  
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## **PRIVATE HEALTH INSURANCE MODEL STUCK IN THE TWENTIETH CENTURY BAA CALLS FOR A RETHINK TO REFLECT REALITY OF TODAY'S HEALTH SYSTEM**

Better Access Australia (BAA) is calling on the federal government to **#MindTheGap** in the affordability of healthcare as part of its 2022-23 Budget.

[BAA's Pre-2022-23 Budget Submission](#) highlights the growing gap in the affordability of time to access, and the affordability of cost to access for patients seeking healthcare in Australia and is asking for six key reforms as part of the 2022-23 federal Budget.

BAA is calling on the Government to conduct a consumer-needs analysis of private health insurance (PHI) that sets aside current regulatory limitations as the basis for the consultation to facilitate co-design of a better integrated public and private health system for consumers and the affordability of healthcare for the community, insurers and governments.

“COVID-19 has shown that Australia’s health system relies heavily on the use of the private health system as well as the public health system to ensure timely and affordable access to diagnostics and treatment when patients need it”, Better Access Australia Director David Mackay said.

“Yet, Australia’s PHI system continues to be based on an increasingly outdated model of access that assumes the majority of private healthcare occurs in the hospital setting. This just isn’t the case.

“Over the past two decades governments have sought to dramatically change healthcare practice by incentivising the treatment of chronic and acute conditions outside of hospitals where it is more affordable for the system.

“However, the scope of PHI has not been extending to the primary care setting, so the gap between what the 13.6M self-insured Australians are covered for, versus the out-of-pocket health costs they are continually having to meet is increasing year-on-year.

“Consumers are also increasingly being required to see a specialist to access PBS medicines, incurring both GP and specialist fees, and delays to access, thereby further adding to affordability of cost and time.

“With the abolition of the Net Medical Expenses Tax Offset by the Morrison Government in July 2019, many families have been left increasingly out-of-pocket as costs in the primary healthcare setting outstrip inflation and stagnating wages. Many simply do not pursue treatment or join the long waiting list for outpatient services in the public health system.

“Consumers pay for their private health, not the Government. Consumers should be at the centre of discussions on the future of private health, which extends beyond the restrictive boundaries of the current PHI system and focuses on what consumers genuinely want to manage their health.

“The ‘car insurance model’ of PHI is not fit for the 21<sup>st</sup> century where emerging genetic therapies don’t allow insurers to invest in upfront high-cost treatments without longer term commitments from patients.

“Why can’t families who spend the significant portion of their health costs in the waiting rooms of GPs, private specialists and paying for additional diagnostics and medicines have an insurance product that genuinely covers their needs?

“Why is pet insurance more flexible in what it covers than human health insurance?

“Health insurance is not car insurance - it is an intrinsic and essential part of our health system and needs to be recognised as such.

“The time for a genuine discussion on the need to change what PHI covers to support the delivery of Australia’s ‘universal health system’ is now”.

*For more information about Better Access Australia, please visit [www.betteraccessaustralia.org.au](http://www.betteraccessaustralia.org.au) and read our 2022-23 Pre-Budget Submission in full [here](#).*

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