

**From:**  
**To:** [Community Affairs Committee \(SEN\)](#)  
**Subject:** Private Health Insurance Amendment Bill (No. 2) 2014  
**Date:** Friday, 27 March 2015 4:28:49 PM

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To Whom It May Concern,

While I'm not sure exactly what amendments or not are on the table, I know of one issue that should be: The rate of rebate for people in receipt of Social Security Benefits and/or an accelerated reduction in the Lifetime Health Cover charges for people over the age of 55.

Ever since the enactment of the the Lifetime Health Cover, there have been anomalies in the system of health insurance. The two per cent per year surcharge in no way encourages people over the age threshold to take out Private Health Insurance, rather it acts as a disincentive to joining and taking responsibility for one's health.

For example a 50 years old taking out Health Insurance for the first time, and on the average wage would be charged a premium of aver 10% on their Insurance AFTER the rebate provisions.

Another disincentive to Private Health Cover occurs with recipients of income support Social Security payments. Here, people are expected not only to pay the Lifetime Health Cover if they are deemed *eligible*, but are also expected to pay at the same rate as someone earning the average wage.

There needs to be several more tiers to the rebate system if the government would actually really like to encourage low income people to take out private cover.

Instead, the government seems to be reducing the rebate that already exists, meaning that low income earners are slugged with not a 6%, but rather a greater than 10% increase in premiums.

It is my belief, that the government is required under the constitution to provide social security to the citizens of Australia. If the government really believes in Private Health Insurance for all, it should take a careful look at these anomalies that discourage participation by the less fortunate.

For these reasons, if amendments for these changes are not on the table as part of this review, they should be.

Yours sincerely

Peter Jones