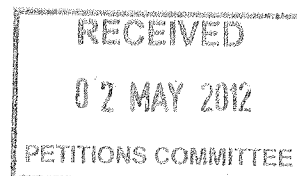




632/1036

The Hon Tanya Plibersek MP
Minister for Health

The Hon John Murphy MP
Chair
Standing Committee on Petitions
PO Box 6021
Parliament House
CANBERRA ACT 2600



Dear Mr Murphy

Thank you for your letter of 1 March 2012 regarding a recent petition opposing means testing the private health insurance rebate.

The changes to the private health insurance rebate and Medicare levy surcharge will operate as follows from 1 July 2012:

	Unchanged	Tier 1	Tier 2	Tier 3
Singles	≤ \$84,000	\$84,001-97,000	\$97,001-130,000	≥ \$130,001
Families	≤ \$168,000	\$168,001-194,000	\$194,001-260,000	≥ \$260,001
REBATE				
< Age 65	30%	20%	10%	0%
Age 65-69	35%	25%	15%	0%
Age 70+	40%	30%	20%	0%
MEDICARE LEVY SURCHARGE				
All ages	0.0%	1.0%	1.25%	1.5%

Note: The thresholds increase annually, based on growth in Average Weekly Ordinary Time Earnings. Single parents and couples (including de facto couples) are subject to the family tiers. For families with children, the thresholds are increased by \$1,500 for each child after the first.

Nine out of ten Australians will not be affected by these changes at all. Single people earning less than \$84,000 a year and couples or families earning less than \$168,000 a year will keep their 30, 35 or 40 per cent rebate (depending on their age).

It is estimated that 99.7 per cent of people with private health insurance hospital cover will keep their insurance, with only 27,000 people dropping their cover. Last year from October to December alone, 50,000 people took up private health insurance. The private health insurance industry is strong and growing.

The small number of people who may drop private health insurance cover will not significantly burden public hospitals or cause premiums to increase.

Once again, thank you for writing.

Yours sincerely

Tanya Plibersek

24.4.12

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2 MAY 2012
BY: _____