

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2011-2012, 30/31 May 2011

Question: E11- 140

OUTCOME 9: Private Health Insurance

Topic: PRIVATE HEALTH INSURANCE INDUSTRY

Written Question on Notice

Senator Adams asked:

What new initiatives has the Department implemented in the last year to ensure the private health insurance industry is viable and cost-effective?

Answer:

Currently, over 11.8 million Australians have private health insurance. The Department recognises that ensuring consumers have easy access to information about private health insurance is crucial to help them make informed decisions about their healthcare.

In January 2011, the Department enhanced the transparency of the private health insurance premium-setting process by providing consumers with more information about the Government's role in assessing and approving proposed premium increases with the publicly available document '*2011 Private Health Insurance Premium Round - Outline of process and reasons for premium increases*'. This is in addition to publishing average premium increase for each insurer in February 2011. The Department also continues to work closely with the Private Health Insurance Administration Council to ensure the Capital Adequacy and Solvency Standards for insurers are met.

In June 2011, the Department provided additional funds to the Private Health Insurance Ombudsman (PHIO) to enhance the quality and accessibility of information about private health insurance products on the [www.privatehealth.gov.au](http://www.privatehealth.gov.au) website. The aim of this website is to assist consumers make an informed choice when selecting health insurance policies that best meet their needs and budget.

The Department is currently undertaking an analysis relating to the content and structure of Standard Information Statements (SISs), which is available on the [www.privatehealth.gov.au](http://www.privatehealth.gov.au) website. These statements provide an overview for consumers in a standard format and allows them to understand and compare private health insurance policies. The aim of the review is to improve the usefulness of the SISs for consumers.

The Department has implemented Recommendations 10, 11 and 12 of the Health Technology Assessment Review, which relate to specific changes to streamline the prostheses listing arrangements.

Recommendation 12b-e is currently being implemented with the first phase of changes to groupings and benefits to take place on the August 2011 Prostheses List after receiving approval from the Prostheses List Advisory Committee.