

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2015 - 2016, 1 - 2 June 2015

Ref No: SQ15-000434

OUTCOME: 6 - Private Health

Topic: Private Health Insurance Participation

Type of Question: Hansard Page 127, 1 June 2015

Senator: McLucas, Jan

Question:

Senator McLUCAS: Could you explain to us, then, what those drivers are? Population growth? What are the inputs that go into the formula?

Mr Porter: Policyholder growth and the type of rebate that people are entitled to, as well as premiums.

Senator McLUCAS: What is the assumption around policyholder growth?

Mr Porter: I may have to take that on notice, in terms of the detail of that; but in general we are seeing a consistent increase in the number of people and the number of policyholders. But the actual level of hospital coverage, and PHI coverage overall, has stayed relatively flat over the last number of years.

Answer:

The private health insurance (PHI) Rebate estimates take into account the Consumer Price Index, PHI premium price changes, population growth, participation changes in PHI coverage (including historical actual figure updates) and Government policies relevant to the Rebate.

The Government maintains measures to encourage Australians to take out and maintain PHI cover throughout their life. These measures include the Lifetime Health Cover, the Medicare Levy Surcharge and the Rebate.