

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Additional Budget Estimates Hearing – February 2009

Medibank Private Limited

Topic: Medibank Private Limited

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Senator CORMANN asked:

Senator CORMANN—In the lead-up to the 2004 federal election, you did not release a report into the effectiveness of the private health insurance rebate that was commissioned by Medibank Private?

Mr Savvides—I am not aware of that. I will take that on notice and inquire.

Senator CORMANN—The Harper report: wasn't that something that was commissioned by Medibank Private? Do you remember the Harper report?

Mr Savvides—Yes. The Harper report was a report that endeavoured to explain to the reader the value of the rebate in the total health system, which is a mixed healthcare system. Its principle proposition was that everyone was better off as a result of the incentive, because it took pressure off the public system as well. He was trying to make the case about the mixed health care system as a whole.

Senator CORMANN—That was at the time a view that was being promoted and which Medibank Private supported. Have you changed your view on that?

Mr Savvides—No. You remind me that Professor Harper did some presentations across the country to various audiences about the findings. But the principle theme of it was the value of the rebate in the system. I think that there were some sensitivity analyses done within the report about what would happen if you varied the percentage et cetera. You are taking me back in time. I would have to take your question on notice to give you a more detailed response.

Answer:

In late 2003, Medibank Private commissioned research from Professor Ian Harper of the Melbourne Business School to better understand economic benefits of the private health insurance rebate. Professor Harper's report, 'Preserving Choice - A defence of Public Support for Private Health Care Funding in Australia', was publicly released in April 2004.