



West Australian
30/04/2009
Page: 10
General News
Region: Perth
Circulation: 192964
Type: Capital City Daily
Size: 105.04 sq.cms
MTWTFS-

HBF shoots at health fund rebate rumours

ANDREW TILLET
CANBERRA

The biggest health fund in WA has launched a pre-emptive strike against mooted Federal Government cuts to eligibility for the 30 per cent private health insurance rebate.

HBF has an advertisement in *The West Australian* today, publishing an open letter to Prime Minister Kevin Rudd telling him to leave the rebate alone.

The Government is considering means testing the rebate — which costs taxpayers almost \$4 billion a year — to help rein in spending as the Budget deficit heads for \$50 billion. It is understood that Treasury wants the rebate cut but Mr Rudd has been

reluctant to do so for fear of breaking an election promise.

Insurers say that cutting eligibility for the rebate, effectively a subsidy on the cost of policies of 30 per cent for families and up to 40 per cent for elderly people, will lead to falls in membership.

HBF's advertisement says West Australians have the most to lose because the State has the highest percentage of people with private insurance.

HBF managing director Rob Bransby said changing the rebate would immediately make premiums more expensive for all fund members and add to pressure on public hospitals.

“While it may appear smart politics to take the rebate away from higher income earners, the net result will be less funds contributed to the total pool and this will guarantee much bigger increases in premiums across the board,” he said. “Those who oppose the rebate system tend to forget the fact that while individuals are paid up to 30¢ in the dollar to take out cover, those same individuals immediately pay an additional 70¢ in the dollar into the overall health system.”

The Australian Health Insurance Association said funds had 130,000 claims over \$10,000 last year, a rise of 11.6 per cent.