



ROYAL AUSTRALASIAN COLLEGE OF SURGEONS

# MEDIA RELEASE

## Surgeons fear unsustainable pressure on public health system

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Surgeons fear that means testing the Private Health Insurance Rebate will add further pressure to an Australian public health system that has already reached breaking point.

Mr Keith Mutimer, Vice President of the Royal Australasian College of Surgeons said that all experts agree that changes to the rebate will lead to people abandoning private health insurance and relying on the public system, the only question in dispute is how many will do so.

“Surgeons who work daily in the public system state with certainty that it can bear no additional pressure at all,” Mr Mutimer said.

“So it should be a matter of grave concern to Australians that the federal government itself concedes that there will be a flow of people back to the public system as a result of the proposed legislative changes. Treasury has estimated that 25,000 consumers will drop their private health cover in the first year after these changes come in.

Mr Mutimer was speaking as legislation to means test the Private Health Insurance Rebate was likely to come to a vote in the House of Representatives next week.

“Even more disturbing are forecasts in a recent report by market research company ANOP and consultant Deloitte. This report indicated that over five years an estimated 1.6 million consumers would withdraw from private hospital cover and a further 4.3 million would downgrade their cover. This would devastate the public health system,” he said.

“The report also suggested that means-testing the rebate will change the demographics of the privately insured. Younger and healthier people are likely to downgrade their private health insurance, leaving the less healthy over represented in the pool of privately insured. This will place upward pressure on premiums, and act as a further disincentive to take out private cover,” Mr Mutimer said.

“Irrespective of the number of privately insured patients who drop their cover, there will inevitably be some additional pressure on Australia’s already over-stretched public hospitals, with adverse repercussions on the quality of patient care.

“The Royal Australasian College of Surgeons has identified an additional concern. Many surgeons practising in rural locations do some of their clinical work in local private hospitals. If a decline in the number of privately insured patients threatens the viability of these private hospitals, this will be a significant disincentive for surgeons to move to, or stay in, rural practice – which will have a detrimental effect on country patients, irrespective of their insurance status. Those independent members of the parliament, some of whom represent rural electorates, should be mindful of this,” Mr Mutimer said.

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