



MEDIA RELEASE

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## **CATHOLIC HOSPITALS SAY MORE SHOULD AND COULD BE DONE FOR YOUNGER AUSTRALIANS EXITING PRIVATE HEALTH INSURANCE**

Catholic hospitals are calling for a reduction in financial penalties for younger Australians who fail to take out insurance before the aged of 30.

Catholic Health Australia – Australia’s largest independent grouping of health services – is calling for the Lifetime Health Cover (LHC) to not kick in until someone turns 35.

Under the current rules, a two per cent penalty to the cost of private health coverage is added every year after someone turns 30 and doesn’t take out insurance. It can add hundreds of dollars each year to the cost of private health insurance.

In a submission to the Federal Government dealing with the cost of healthcare, CHA says more reform is needed to encourage young people to stick with private health insurance.

New data out today (Tuesday) from APRA show a further decline in the number of people holding health insurance. Some 28,567 Australians cancelled their policies, with the largest drops for people aged 20 to 29.

CHA Director of Health Policy James Kemp said the data showed younger Australians were increasingly turning their backs on health insurance because the current rules don’t reflect the reality of their lives.

“Our system should recognise that young people are living at home longer, getting married later, and starting families well into their 30s. We should be encouraging them to take out insurance not punishing them for not doing so.

“We want younger people to make the decision to purchase private health insurance at that time when they can best afford it, and also at that age when they most need it - like when they are thinking of having families of their own, when access to maternity care is top of mind, when choice of clinician is more important and when having a private room for your partner is something worth securing.

“We’re seeing thousands of first-time mums in their mid-30s realising they can’t afford private health insurance because they’ve racked up years of LHC penalties, so they’re turning to the strained public system.”

“For too many younger Australians in their 20s, the need for health insurance is just not top of mind. The private health insurance industry needs to recognise that and develop policies that better reflect the modern setting.”



# CATHOLIC HEALTH

Australia

“Increasing the LHC to 35 will give younger people that little bit more time and will kick in at a point when they are much more likely to be looking at purchasing private health insurance, rather than being locked out of the system for not taking it up early enough.

In its submission, CHA recognises that this is just one of many levers the government needs to pull to reverse the exodus of young people in the system.

Mr Kemp said: “This could be an important first step in attracting more young people back into the private health insurance system. That can only be a good thing for their health care and the viability of the public system in Australia.”

CHA has also called for the rules to be changed to allow Australians to stay on the parents’ health insurance plans for longer to mitigate the current health insurance crisis. CHA’s proposal to extend the age people can stay on policies from 25 to 30 was met with approval by the government and the private health industry.

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