

Direct the Productivity Commission to conduct a full review of the private health system.

Overview

- In 2018, Federal Labor's policy in Opposition was for the Productivity Commission to conduct a full review of the private health care system.
- The [Productivity Commission](#) (through its precursor, The Industry Commission) last undertook a full review of private health insurance in 1998.
- Despite several subsequent government and industry reviews and processes, including the ACCC PHI Ombudsman and the PH Ministerial Advisory Committee (2016 – 2018), private health insurance holders continue to face premium increases, product limitations, and soaring out-of-pocket costs.
- With more than 15 million Australians holding private health insurance, it is time government undertakes a systemic review of private health, with the view to redesign the private health care system with fit-for-purpose policy settings that ensure greater efficiency and lower out-of-pocket costs.

WHAT ARE WE CALLING FOR?

- A reference to the Productivity Commission to undertake a comprehensive, system-wide inquiry into the private health system with a particular focus on:
 - growth of private health insurance premiums, specialist fees and out-of-pocket expenses;
 - value and scope of product offerings covered by private health insurance;
 - interactions with the Medicare Benefits Scheme (MBS), Pharmaceutical Benefits Scheme (PBS) and other health system funding mechanisms; and
 - reforms to minimise premiums and out-of-pocket costs.

Budget impact

- In 2022-23, the [Productivity Commission](#) completed seven inquiries and other government commissioned projects at a cost between \$1.3 to \$5.3 million.
- As we are recommending a full and comprehensive inquiry into a complex system, it is likely the cost to government would be towards the upper end of previous inquiry costs.

