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# The FiftyUp Club Submission to

# Health Minister Peter Dutton

**Wednesday, 6th August 2014**

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## 1. The FiftyUp Club Health Insurance Submission to Minister Dutton:

### A) Summary of Submission

i. We ask the Minister to reduce the impact of co-payments on Australians aged over 50, particularly for pensioners on fixed incomes.

ii. We ask the Minister to strengthen the disclosure requirements of private health insurers and that PHIAC publish premium increases by age brackets in its annual premium round.

## B) Submission

On behalf of the 91,000 members of the *FiftyUp Club* we present to the Federal Health Minister Peter Dutton the following findings from health care consumers aged 50 and over.

More than 10,000 Australians added their voice to this submission, on a range of health issues including GP co-payments and rising health insurance premiums.

More than two thirds of FiftyUps who completed the survey believe the system is currently unsustainable and are prepared to contribute a small amount to their own health care costs if it helps balance the Federal Budget.

However, two thirds do not agree that co-payments will encourage people to take better care of their health. In fact, 30% say GP co-payments will force them to avoid the doctor when sick, or go to hospital instead, and 40% say co-payments and Health Insurance prices are likely to change how they vote at the next election.

Health Insurance premium increases is the number one health care cost issue for the FiftyUp Club members, with 80% saying there is not enough publicly available information about what all the different health insurers charge customers aged over 50.

We, the FiftyUp Club, believe our research demonstrates over 50s support reform in principle, but not in the form of the current proposals.

We therefore ask the Minister to reduce the impact of co-payments on Australians aged over 50, particularly for pensioners on fixed incomes.

We also ask the Minister to strengthen the disclosure requirements of private health insurers and that PHIAC publish premium increases by age brackets in its annual premium round.

Full results of the survey are attached as [Appendix D](#).

## 2. History of FiftyUp Club Health Insurance Campaign

### a) Health Insurance Premium increases Survey

- In March, a survey of more than 5000 FiftyUp Club members revealed they were paying an average increase of 9.8% on their private health insurance. That's one-and-a-half times the national average of 6.2% published by the Federal Government

### b) FiftyUp Facts Health Insurance Petition

- In April, the FiftyUp Club launched a national petition calling on the Federal Government to reveal the real cost of health insurance for over-50s (Petition Attached as [Appendix A](#)).
- More than 13,400 members signed the Petition (Media Release Attached as [Appendix B](#))

### c) FiftyUp Club Submission to Health Minister Peter Dutton

- In July, the FiftyUp Club surveyed its members on a range of issues including health insurance and GP co-payments (Email attached as [Appendix C](#)).

### **3. About the FiftyUp Club**

The FiftyUp Club is a consumer network with more than 91,000 members aged 50 and over, supported by Macquarie Radio Network in NSW and Fairfax Radio Network in Queensland.

Using the combined buying power of its members the FiftyUp Club negotiates special offers and services for FiftyUps, as well as advocating for our members interests with governments and businesses.

#### **a) The FiftyUp Club Team**

The FiftyUp Club Chairman and public spokesperson is John Mangos and the Club's CEO is David Issa. The Club's Co-Founders are One Big Switch's Lachlan Harris and Macquarie Radio's John Singleton.

#### **b) Why FiftyUp?**

The FiftyUp Club was created to make sure consumers over 50 are getting the discounts, special products and services they deserve. FiftyUps are often the best customers; they are lower risk, more loyal and have more than half of all household buying power. However, they feel ignored by corporate Australia and rarely get the discounts and service they deserve.

## Appendix A

### **Petition on Health Insurance Premiums: (To the Hon Peter Dutton MP)**

Federal Minister for Health:

We the undersigned, members of the *Fifty Up Club*, respectfully call on the Federal Health Minister to take the necessary action to improve the publication of information related to the annual health insurance premium increases, particularly for older Australians being hit by much higher premiums.

The Private Health Insurance Administration Council (PHIAC) currently publishes an industry weighted average premium increase for private health insurance annually. At 6.2 per cent in 2014 this figure disguises the even larger increase in premiums incurred by many older Australians.

The publishing of an annual weighted average fails to provide consumers with adequate information of the impact of premium increases on their own private health insurance costs.

The Private Health Insurance Act provides the Private Health Insurance Administration Council (PHIAC) with the powers to supervise and regulate insurers. (*Private health insurance Act 2007- section: 264-20*). This supervision would be significantly strengthened by requiring clearer disclosure of the impact of premium increases across age groups and particularly 30-40 year olds, 40-50 years old, 50-60 year olds, 60-70 year olds and those 80+.

The Department of Health's website states that "It is not practical for the Government to release the premium increases for every product available". While this may be the case for all 34,000 products, we believe greater transparency in the premium increase across age groups is necessary, particularly when the average disguises the scale of increase being experienced by different age groups,

We therefore ask the Minister to strengthen the disclosure requirements of private health insurers and that PHIAC publish premium increases by age brackets in its annual premium round.



MONDAY 7 April 2014

**OLDER AUSTRALIANS PAYING BIGGER INCREASES ON HEALTH INSURANCE  
DEMAND MORE HONESTY**

The FiftyUp Club is today launching a national petition calling on the Federal Government to reveal the real cost of health Insurance for over-50s.

Consumers over 50 are paying an average increase of 9.8% on their private health insurance according to a FiftyUp Club health insurance survey of more than 5000 people.

That's one-and-a-half times the national average of 6.2% published by the Federal Government.

The FiftyUp Facts Health Insurance Petition aims to:

- Collect 10,000 signatures at [FiftyUpClub.com](http://FiftyUpClub.com)
- Ask the Federal Government to publish annual average premium increases for different age brackets, including over-50s
- Improve price transparency in private health insurance for consumers 50 and over.

The petition can be signed online at [www.FiftyUpClub.com](http://www.FiftyUpClub.com)

Chairman of the FiftyUp Club John Mangos said it was now clear older Australians are bearing the brunt of health insurance increases:

*"Our survey results speak for themselves: consumers 50 and over are paying bigger price increases for their private health cover.*

*"The FiftyUp Club is calling on the Federal Government to reveal the truth about price increases for older Australians, so they have the information they need to shop around."*

The FiftyUp Club will deliver the petition to the Federal Health Minister.



## Average price increases by provider

Insurer	Respondents	Av % rise
AUHL	147	13.7%
Central West	8	12.6%
GMF	21	11.6%
NIB	453	10.2%
Frank (GMHBA)	9	9.7%
BUPA	888	9.6%
HCF	932	9.5%
Medibank Private	1228	9.4%
Queensland Country Health Fund	18	9.3%
Health.com.au	14	9.1%
Latrobe Health Services	8	9.0%
HBF	13	8.9%
Westfund	63	8.8%
AHM	341	8.5%
Defence Health	96	8.4%
Phoenix Health Fund	9	8.0%
GMHBA	58	8.0%
CUA	58	7.8%
Police Health	10	7.6%
Peoplecare	18	7.5%
CBHS Health Fund	44	7.5%
Teachers Federation Health	108	7.3%
HIF	11	7.1%
RT (Railway & Transport Health Fund)	42	6.9%
Navy Health	23	6.7%
Cessnock District Health Benefits Fund	7	6.7%
TUH	37	6.4%
Grand United Corporate Health	9	5.8%
<b>Grand Total</b>	<b>4720</b>	<b>9.8%</b>

Average for consumers over 50 among all insurers = 9.8% increase

National average published by Federal Government = 6.2%

Insurers with fewer than 5 respondents were not included



**Your Views**

## Tell the Health Minister What FiftyUps Think

**Hi FiftyUp,**

Your hard work over recent months has paid off. The Club has a meeting with the Federal Health Minister in two weeks' time.

This is a rare opportunity to tell Peter Dutton MP what FiftyUps think about the rising cost of health policy.

[\*\*CLICK HERE to take our 3-Minute Survey\*\*](#) and add your voice to the submission we will deliver in Canberra.



How could health insurance be improved for FiftyUps? How will a \$7 GP co-payment affect your health and your budget? Should we have to pay more for prescriptions?

We'll let the Minister know what members think about these key issues and more.

[\*\*CLICK HERE to Add Your Voice & Have Your Say\*\*](#)

Thanks for your time and support. There are 90,000 of us now, so we are fast becoming very difficult to ignore when it comes to these issues!

**John Mangos, FiftyUp Club Chair**

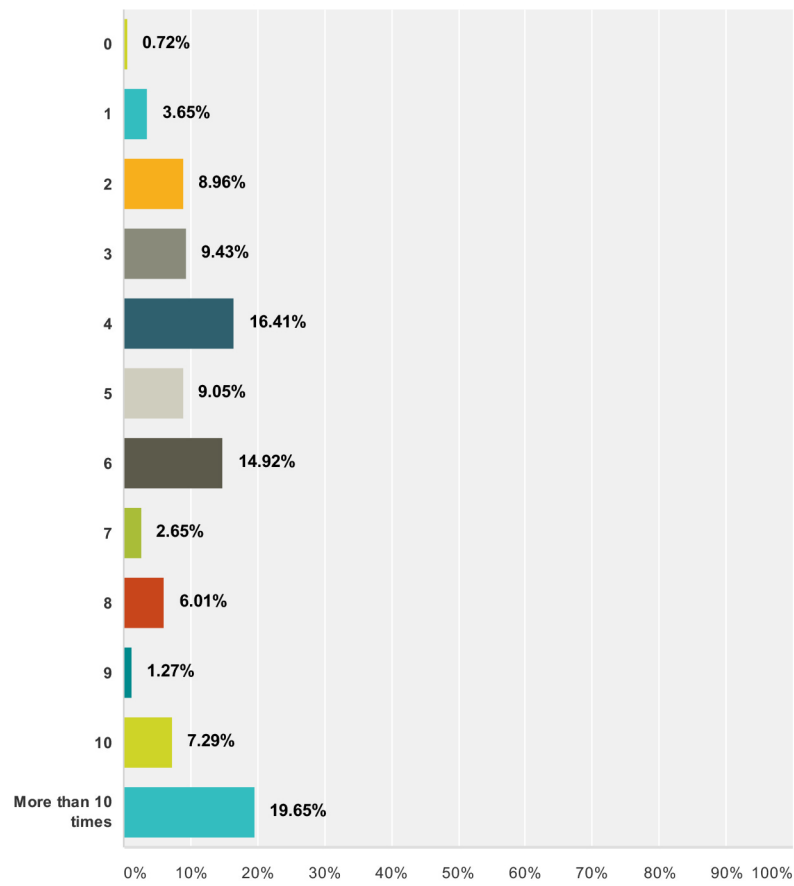
[\*\*Click Here to See Special Offers Available in your area\*\*](#)

Appendix D

FiftyUp Club Submission to Health Minister Peter Dutton

**Q1 How many times a year on average do you see a GP?**

Answered: 10,472 Skipped: 61

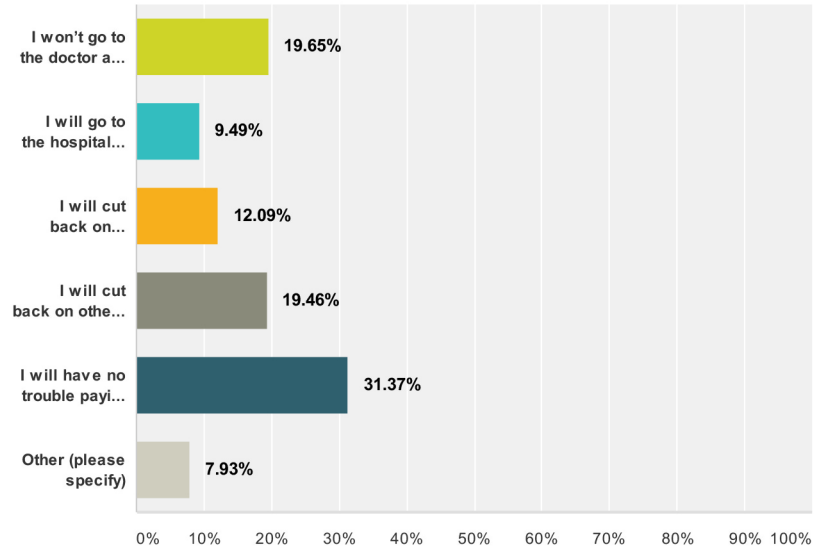


Answer Choices	Responses	Count
0	0.72%	75
1	3.65%	382
2	8.96%	938
3	9.43%	988
4	16.41%	1,718
5	9.05%	948
6	14.92%	1,562
7	2.65%	278
8	6.01%	629
9	1.27%	133
10	7.29%	763
More than 10 times	19.65%	2,058
<b>Total</b>		<b>10,472</b>

## FiftyUp Club Submission to Health Minister Peter Dutton

### Q2 If a new \$7 co-payment is introduced when you visit a GP, X-ray or pathologist, how will you afford it?

Answered: 10,477 Skipped: 56

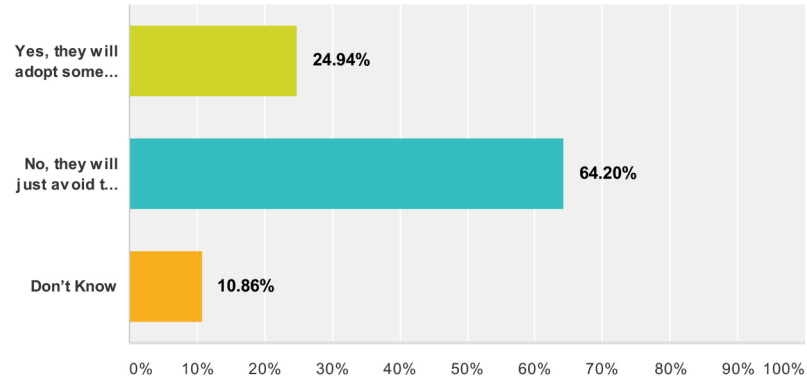


Answer Choices	Responses	Count
I won't go to the doctor as much, even if I'm sick	19.65%	2,059
I will go to the hospital emergency department instead	9.49%	994
I will cut back on luxuries	12.09%	1,267
I will cut back on other essential items	19.46%	2,039
I will have no trouble paying it	31.37%	3,287
Other (please specify)	7.93%	831
<b>Total</b>		<b>10,477</b>

## FiftyUp Club Submission to Health Minister Peter Dutton

### Q3 Do you believe that a \$7 co-payment will encourage people to take better care of their health?

Answered: 10,458 Skipped: 75

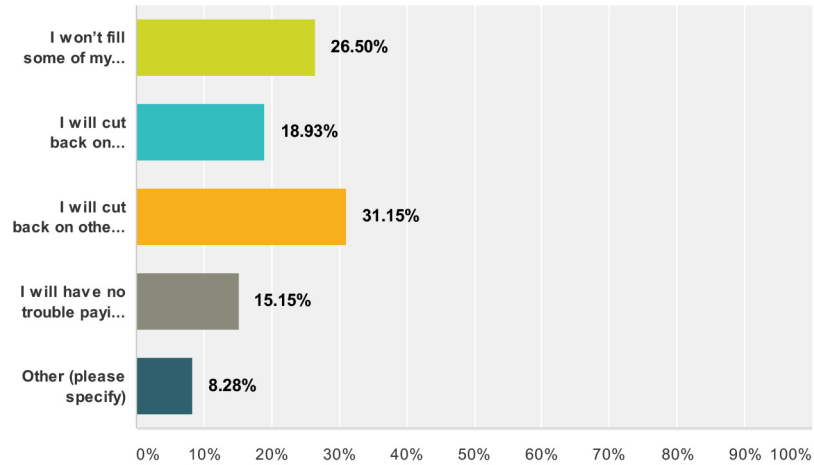


Answer Choices	Responses	
Yes, they will adopt some personal responsibility	24.94%	2,608
No, they will just avoid the doctor when they are sick	64.20%	6,714
Don't Know	10.86%	1,136
<b>Total</b>		<b>10,458</b>

## FiftyUp Club Submission to Health Minister Peter Dutton

**Q4 Changes to PBS co-payments will mean an average annual increase in prescription costs ranging from \$36 for children to \$122 for patients aged 65+, according to a recent study. How will you afford the increase?**

Answered: 10,476 Skipped: 57

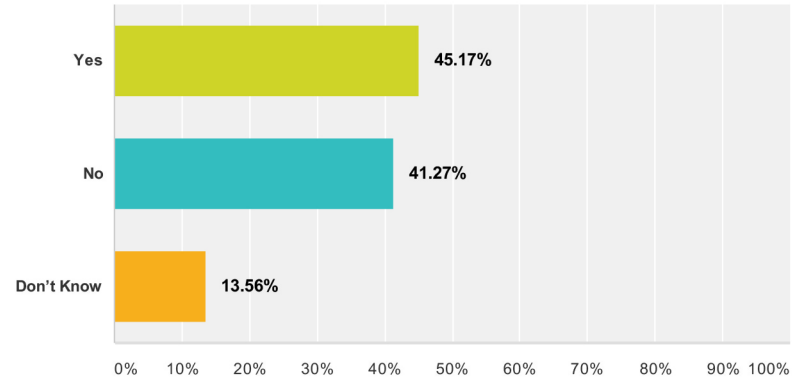


Answer Choices	Responses
I won't fill some of my prescriptions	26.50% 2,776
I will cut back on luxuries	18.93% 1,983
I will cut back on other essential items	31.15% 3,263
I will have no trouble paying the extra amount	15.15% 1,587
Other (please specify)	8.28% 867
<b>Total</b>	<b>10,476</b>

## FiftyUp Club Submission to Health Minister Peter Dutton

### Q5 Are the proposed new co-payments likely to change how you vote at the next Federal Election?

Answered: 10,465 Skipped: 68

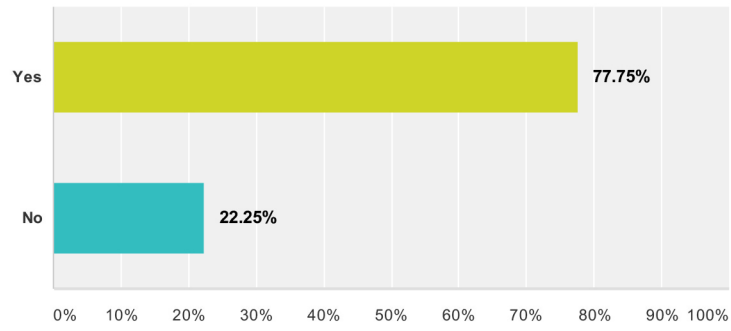


Answer Choices	Responses
Yes	45.17% 4,727
No	41.27% 4,319
Don't Know	13.56% 1,419
<b>Total</b>	<b>10,465</b>

# FiftyUp Club Submission to Health Minister Peter Dutton

## Q6 Do you have health insurance?

Answered: 10,453 Skipped: 80



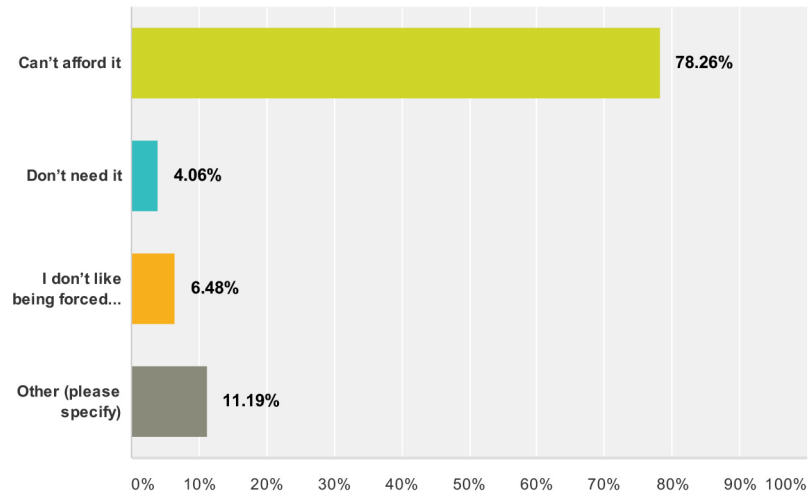
Answer Choices	Responses
Yes	77.75% 8,127
No	22.25% 2,326
<b>Total</b>	<b>10,453</b>



## FiftyUp Club Submission to Health Minister Peter Dutton

### Q7 Why don't you have Health Insurance?

Answered: 2,314 Skipped: 8,219

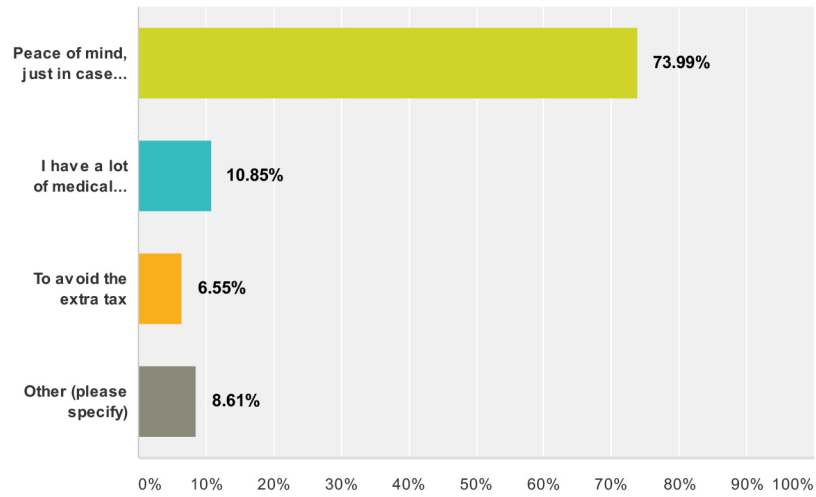


Answer Choices	Responses	Count
Can't afford it	78.26%	1,811
Don't need it	4.06%	94
I don't like being forced into it by government policy	6.48%	150
Other (please specify)	11.19%	259
<b>Total</b>		<b>2,314</b>

## FiftyUp Club Submission to Health Minister Peter Dutton

### Q8 Why do you have Health Insurance?

Answered: 8,000 Skipped: 2,533

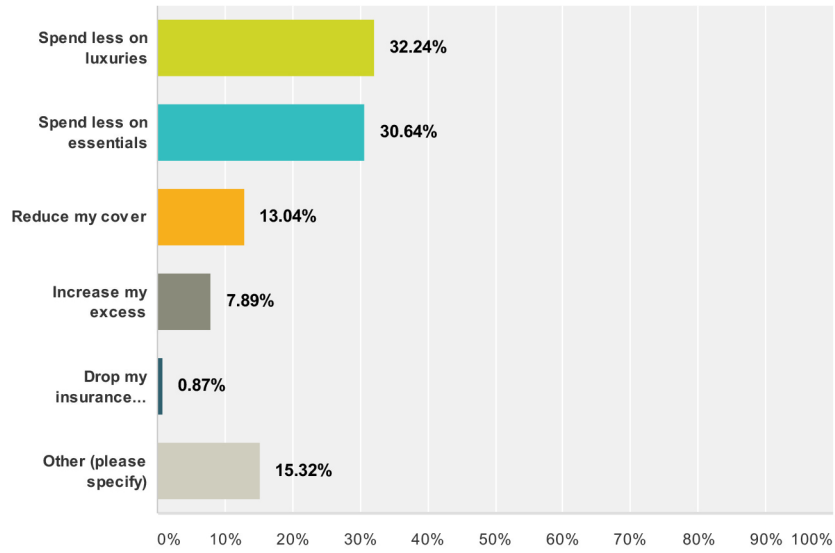


Answer Choices	Responses	Count
Peace of mind, just in case something happens	73.99%	5,919
I have a lot of medical bills	10.85%	868
To avoid the extra tax	6.55%	524
Other (please specify)	8.61%	689
<b>Total</b>		<b>8,000</b>

FiftyUp Club Submission to Health Minister Peter Dutton

**Q9 What have you had to do to afford this year's premium increase?**

Answered: 8,059 Skipped: 2,474

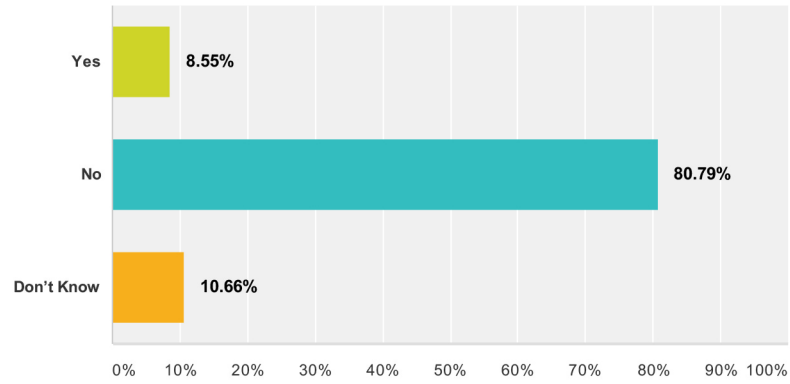


Answer Choices	Responses	Count
Spend less on luxuries	32.24%	2,598
Spend less on essentials	30.64%	2,469
Reduce my cover	13.04%	1,051
Increase my excess	7.89%	636
Drop my insurance altogether	0.87%	70
Other (please specify)	15.32%	1,235
<b>Total</b>		<b>8,059</b>

FiftyUp Club Submission to Health Minister Peter Dutton

**Q10 Do you think there is enough publicly available information about what all the different health insurers charge customers aged over 50?**

Answered: 10,328 Skipped: 205

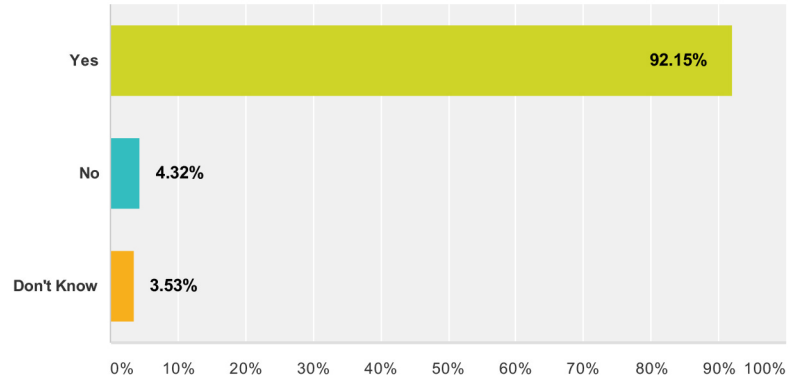


Answer Choices	Responses	
Yes	8.55%	883
No	80.79%	8,344
Don't Know	10.66%	1,101
<b>Total</b>		<b>10,328</b>

## FiftyUp Club Submission to Health Minister Peter Dutton

**Q11 Over-30s are penalised for not taking out health insurance. Do you think over-50s who have been paying health insurance premiums for 20 years should be rewarded with a slight premium reduction each year?**

Answered: 10,331 Skipped: 202

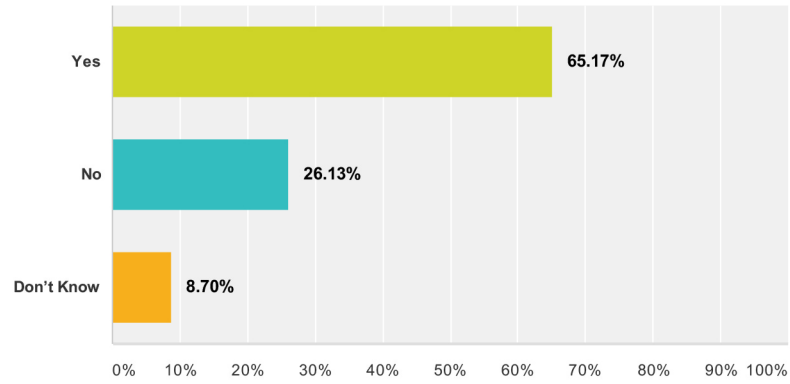


Answer Choices	Responses	
Yes	92.15%	9,520
No	4.32%	446
Don't Know	3.53%	365
<b>Total</b>		<b>10,331</b>

## FiftyUp Club Submission to Health Minister Peter Dutton

### Q12 Should the Federal Government rebate on Health Insurance be means-tested so that high income earners don't receive it?

Answered: 10,301 Skipped: 232

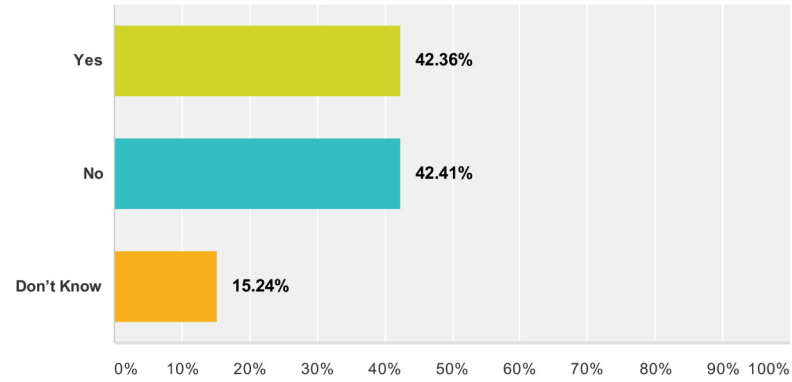


Answer Choices	Responses	
Yes	65.17%	6,713
No	26.13%	2,692
Don't Know	8.70%	896
<b>Total</b>		<b>10,301</b>

## FiftyUp Club Submission to Health Minister Peter Dutton

### Q13 Are rising Health Insurance premiums likely to change how you vote at the next Federal Election?

Answered: 10,298 Skipped: 235

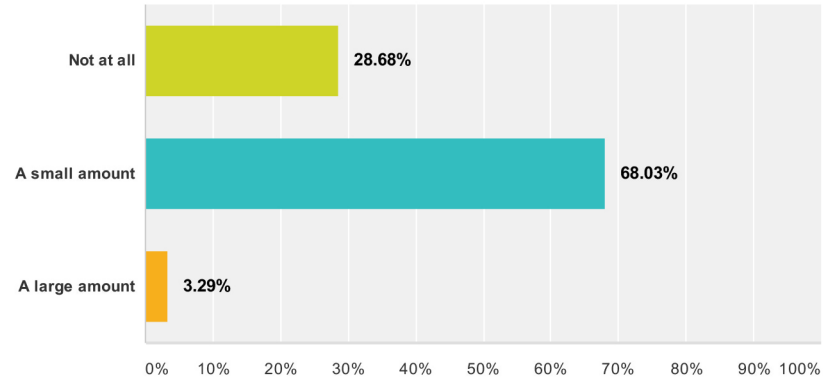


Answer Choices	Responses
Yes	42.36% 4,362
No	42.41% 4,367
Don't Know	15.24% 1,569
<b>Total</b>	<b>10,298</b>

## FiftyUp Club Submission to Health Minister Peter Dutton

### Q15 How much are you prepared to contribute to your own health care costs, if it helps balance the federal budget?

Answered: 10,149 Skipped: 384



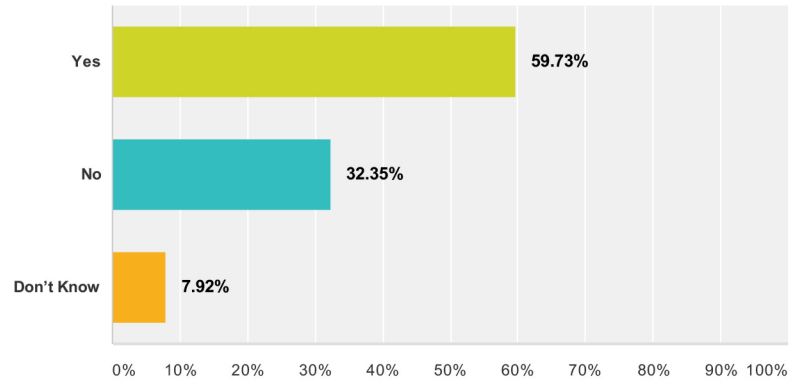
Answer Choices	Responses
Not at all	28.68% 2,911
A small amount	68.03% 6,904
A large amount	3.29% 334
<b>Total</b>	<b>10,149</b>



## FiftyUp Club Submission to Health Minister Peter Dutton

### Q14 Do you accept that universal free health care is not affordable and sustainable in the long term, given our ageing population?

Answered: 10,173 Skipped: 360

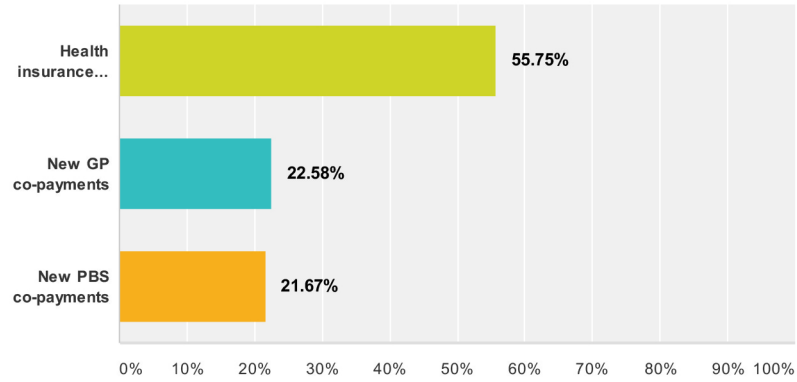


Answer Choices	Responses	
Yes	59.73%	6,076
No	32.35%	3,291
Don't Know	7.92%	806
<b>Total</b>		<b>10,173</b>

## FiftyUp Club Submission to Health Minister Peter Dutton

### Q16 Out of the 3 measures in the dropdown list below, which would you most like to see reversed?

Answered: 10,078 Skipped: 455



Answer Choices	Responses	
Health insurance premium increases	55.75%	5,618
New GP co-payments	22.58%	2,276
New PBS co-payments	21.67%	2,184
<b>Total</b>		<b>10,078</b>