

Date:

24 October 2002

Subject

NIB renew contract with Ramsay Health Care

NIB Health Funds and the Ramsay Health Care group have reached an agreement on the renewal of contracts at all Ramsay facilities, the two organisations announced today.

Negotiations over contract renewal at Ramsay's Lake Macquarie Private Hospital at Gateshead broke down last month.

The two organisations exchanged letters of assurance on new terms for all facilities yesterday.

NIB's Chief Executive Officer, Mark Fitzgibbon, said the new agreement represented a good outcome that would provide peace of mind for NIB members requiring hospital treatment at Ramsay hospitals.

"Member welfare has always been a priority in negotiating all contracts with health care providers and we are more than satisfied with the new arrangements. We have always acknowledged the cost pressures on private hospital operations especially in maintaining the high quality delivered by the Ramsay Group. It was just a matter of ensuring in the end that the hospital prices represent value for money for our members," Mr Fitzgibbon said.

The Managing Director of Ramsay Health Care group, Mr Patrick Grier expressed similar sentiments to Mr Fitzgibbon. "These negotiations are rarely easy, given the substantial pressures confronted by all of us. I am very happy that we have been able to resolve our points of difference and that we can now jointly focus our efforts on meeting the needs of NIB members."

The new three year agreement will also provide increased stability for NIB members and Ramsay.

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Chief Executive Officer
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