

**Date** 28 July 2009

**Subject** nib responds to NHHRC report

nib health funds limited (nib) supports and is enthusiastic about the need for reform of the nation's health care system following the release of the National Health and Hospital Reform Commission's (NHHRC) report.

However, nib's Managing Director, Mark Fitzgibbon, said current arrangements whereby Government funds 70% of our health care expenditure is simply unsustainable due to the increasing future dependency ratio of younger taxpaying people to older retired people rendering it impossible.

"We support the NHHRC's emphasis on primary care and electronic health records as a means for better risk management, mitigating over servicing and thereby delivering more cost-effective health care," Mr Fitzgibbon said.

"We also acknowledge that greater access to dental care for disadvantaged Australians is crucial, however we are totally opposed to the idea of a Medicare style dental system. Instead Government's should allow the existing private health insurance mechanism to connect the disadvantaged with dentists by direct subsidy of premiums. A duplicate funding mechanism will merely increase administrative costs."

Mr Fitzgibbon added he was very concerned about the proposed increase to the Medicare levy to fund the proposed dental scheme as it only exerts further pressure on taxpayers and further increases the health care system's reliance on Government.

"The Government should be mindful of the enormous difficulties being encountered by US President Obama in convincing people that the solution for a better health care system can be found in expanded Government involvement and higher taxes."

Mr Fitzgibbon said nib was very supportive of the Medicare Select concept proposed by the NHHRC and the idea that single funding bodies could cover the entire spectrum of a person's health care costs.

"People are often confused and frustrated by the current division of payment responsibilities. We do not agree with the notion that single funding bodies would rely upon Government as their primary source of revenue. Rather, it would be more efficient for the funders to enrol people and levy the premiums, with Government then subsidising people based upon need. Government's job is to ensure fair and equitable access and affordability, not manage the system," Mr Fitzgibbon added.

**FOR FURTHER INFORMATION:**

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