

**MEDIA RELEASE****HCF announces annual average premiums and commits to passing on prosthesis savings**

**Sydney, 2 March 2016** – HCF, Australia’s largest not-for-profit private health insurer, has today announced an average premium change of 5.42% for its members. The premium change, which will take effect on 1 April 2016, is below the industry average of 5.59% released by the Minister for Health, Sussan Ley and is also HCF’s lowest premium change in seven years.

HCF’s Managing Director, Shaun Larkin, said the fund works hard every year to keep premium increases to an absolute minimum, and to maintain affordable health insurance for all Australians whilst also maintaining the value of necessary benefits.

“As a not-for-profit insurer, our members’ best interests are at the core of everything we do. HCF’s profits go back into more benefits for our members, not to shareholders, and we will continue to champion the important cause of keeping health insurance viable for Australians.

“The combination of more Australians using the health system and advances in medical technology is driving premiums up each year. This increase in use of services and rising costs affect the public sector as well as the private sector. This is why we will continue to lobby for systemic changes across the whole health system, not just private health insurance.

“We will continue to work hard to shield our members from this cost inflation and to have a positive and meaningful impact on the future cost of health care. As a strong lobbyist for prosthesis reform, we have committed to pass on 100% of savings to members, and look forward to the Minister’s implementation of this reform in the near future. HCF also continues to support research and analysis on the safety and quality of our hospitals, to ensure the highest quality standard of health care for our members and all Australians.”

**More than 1.5 million members across Australia, HCF continues to perform well and remain competitive in the industry, without making detrimental changes to its policies and benefits. In the 2015 financial year HCF paid out \$2.1 billion in benefits to its members, a \$57 million (9%) increase on the previous financial year, and significantly higher than the average premium increase passed on to members.**

Mr Larkin continued, “Last financial year, we paid out over 90.4 cents of every dollar of contributions back to members as benefits - the most of any major private health insurer. We continue to work to keep our premiums at the lowest possible rate, whilst still maintaining the best quality, long-term value offering in our products. Our average premium increase for 2016 is actually lower than our projected rate rise submitted to the Government last year. We will continue to look at ways to give back to our members, while still making sure we can pay out claims and provide the first-rate level of cover our members expect.”

**-Ends-**



*Key facts and figures:*

- Each year, the Australian Government reduces its Federal Government Rebate on Private Health Insurance. The premium rate increase is also partly driven by this continued erosion of this Rebate.
- Since 2011, the cost of hospital, medical and prosthesis benefit payments have increased by more than 50 per cent, whereas HCF's average private health premium has increased by only 36 per cent in the same timeframe.
- According to HCF, a number of Australians are unaware of the potential high costs associated with hospital admissions. In the 12-month period ending 31 December 2015, HCF funded almost 31,000 hospital admissions for which the benefit paid exceeded \$10,000 each. There were also 136 benefit payments made that exceeded \$50,000 in value, and for which the member was only in hospital for one night or less. The total high-cost admissions in the period was \$639 million. (See 29 February media release)

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***About HCF***

HCF is Australia's largest non - profit health insurer, currently covering more than 1.5 million Australians. To learn more about HCF go to <http://www.hcf.com.au/about-us>