



F76/115



PRIME MINISTER

FOR PRESS8 JUNE 1976

JOINT STATEMENT BY THE PRIME MINISTER AND THE MINISTER FOR HEALTH - MEDIBANK (PRIVATE INSURANCE)

The Prime Minister and the Minister for Health today announced the Cabinet decision that Medibank will now be permitted to offer intermediate and private ward cover for those people who wish to take out total cover with Medibank.

This means that in the intermediate and private ward area Medibank will be able to compete on equal terms with private funds.

The Prime Minister and the Minister for Health forecast several days ago that Medibank could enter the private health insurance field to give every Australia a positive choice of remaining in Medibank either for standard, intermediate or private ward accommodation.

The Government has decided to give authority to Medibank so that it can operate as a private insurer in fair competition with other registered organisations.

Medibank (Private Insurance) operations will be managed on a financially viable and separate basis from its other operations.

While it is planned that Medibank (Private Insurance) will make use of existing administrative facilities these will be costed and appropriate means will be established to separate these costs. Separate accounts under statutory requirements, will be kept for these operations of Medibank.

Medibank (Private Insurance) will be required to comply fully with the provisions of a National Health Act including details of registration.

The Government is determined to ensure that Medibank remains available to every Australian. This will enable full and open competition between Medibank and the private funds. That competition will do much to cut down the total cost of health care.

The Government by this measure, is giving the widest possible area of choice and nobody is being forced out of Medibank.

As a registered organisation, Medibank (Private Insurance) will operate basic medical and hospital benefit tables. These tables will provide private and intermediate ward cover in public and private hospitals and will exempt people from the 2½% levy payment.
