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Australasian Podiatry Council
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Australasian Podiatry Council submission addressing the Inquiry into the Private Health Insurance Amendment (Lifetime Health Cover Loading and Other Measures) Bill 2012

The Australasian Podiatry Council opposes the proposed changes to the Private Health Insurance Act as discussed in the Private Health Insurance Amendment (Lifetime Health Cover Loading and Other Measures) Bill. We are especially concerned about the removal of the Australian Government Private Health Insurance Incentive Benefit from the Lifetime Health Cover loading component of affected premiums.

Our main concern is related to the accessibility of podiatry services for patients suffering foot pain. As standard consultation podiatry is not covered under Medicare, it is already an expensive option for patients who are not referred with a chronic podiatry condition. The government currently facilitates funding to help lessen this cost for podiatry patients in the public system. More comprehensive cover is available to individuals holding private health insurance. Should the government remove the 30% incentive benefit from the LHC component of private health insurance premiums, we consider there to be a significant risk that patients will opt out of insurance and either rely more heavily on public services and rebates or forgo allied health services altogether.

Australia now has the one of the worst rate of lower limb amputations in the developed world as a result of diabetes, a statistic we hope to drastically improve with proper education and services relating to foot health and foot care. This would focus efforts on prevention and early intervention in podiatry, an initiative that not only seeks to improve the health and wellbeing of Australians but which would also be a cost-saving measure; preventative medicine is significantly more affordable than emergency measures such as amputation and related after-care.

Patients most likely to already access podiatry services are generally found to be aged 45 and over. It is our concern that these older patients are also those most likely to have incurred LHC loading on their health insurance and who will thus be most negatively affected by the removal of the rebate, further disadvantaging an already vulnerable patient group. This seems especially likely given that the Private Health Insurance Administration Council reported in its most recent quarterly statement that the most noticeable increase in coverage was within the 65-69 year old age group. This proposal may make health insurance an unsustainable option for those aged and aging Australians who did not take out health insurance until they were past the age of LHC loading being applied to their premium, as 11,323 individuals did between June and September 2012. Furthermore, according to PHIAC, the proportion of adults with hospital cover paying a LHC loading has increased every quarter since the measure was introduced.

Should these measures be implemented, revenue raised would need to be channelled directly into the public hospital system to accommodate for the increased reliance upon the Medicare system.