

The effects of increased private health insurance: a review of the evidence

TO THE EDITORS: I refer to your September 2004 edition which contained an article by Professor Don Hindle and Mr Ian McAuley titled “The effects of increased private health insurance: a review of the evidence”.¹

This article included commentary on two pieces of research concerning the 30% Private Health Insurance Rebate which were commissioned by Medibank Private in 2003, one published by Professor Ian Harper² and the second published jointly by Professor Harper and Mr Chris Murphy.³ The article questioned the independence of the reports, and also queried whether Medibank Private should be involved in spending money on such research. This commentary is misleading and incorrect.

Medibank Private commissioned the research in order to understand better the economic benefits of the 30% rebate on the Australian health system, and to contribute to the public debate on issues concerning the rebate. The academic analysis that was conducted was objective and independent and the reports’ findings underline the need to maintain our world-class mixed health care system. Medibank Private has also conducted market research with member focus groups to ascertain the direct value and impact of the 30% rebate and other initiatives for our members, and has published a brochure explaining how these initiatives benefit our members.

We will continue to invest in research into the health care system to improve public understanding of the economic dynamics of the sector.

George Savvides

Managing Director
Medibank Private Limited

1. Hindle D, McAuley I. The effects of increased private health insurance: a review of the evidence. *Aust Health Rev* 2004; 28(1): 119-38. Available at: http://www.aushealthreview.com.au/publications/articles/issues/ahr_28_1_300904/ahr_28_1_119-138.asp (accessed Apr 2005).

2. Harper I. Preserving choice: a defence of public support for private health care funding in Australia. Harper Associates, 2003. Available at: <http://www.medibank.com.au/pdfs/PreservingChoiceSummary.pdf> (accessed Apr 2005).

3. Murphy C, Harper I, Hagan P. Easing the pressure: the intergenerational report and private health insurance. Econ-tech, Harper Associates, 2003. Available at: http://www.med.5ibank.com.au/pdfs/ETP_oveview.pdf (accessed Apr 2005).

Response from the Executive Director, Australian Healthcare Association

The paper by Hindle and McAuley is a commentary presenting the perspectives of the authors as part of a collection of opinion pieces from former editors of *Australian Health Review*. The Australian Healthcare Association regrets any implication that the commissioning of research by Medibank Private is not appropriate, or that the researchers acted unethically.

Prue Power

Executive Director
Australian Healthcare Association

Retraction

Professor Harper has asked that we retract our offensive remarks and make a formal apology. We are happy to do this. We have no reason to believe that he acted in an unethical or otherwise undesirable manner, and apologise to the extent that our remarks might be construed in such a way.

Similarly, we retract any remarks that might imply an improper behaviour on the part of Medibank Private. Professor Harper and Medibank Private have good reason to object to the careless remarks in the article.

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