



April 17, 2009

MEDIA RELEASE – FOR IMMEDIATE USE

OECD's health prescription welcomed by HFANZ

The OECD's recommendations for a greater role for private health insurance have been welcomed today by the Health Funds Association of New Zealand (HFANZ).

Executive director Roger Styles said there was considerable room to grow the private contribution to healthcare costs.

“New Zealand is currently way below the OECD average in terms of the level of private contribution to healthcare costs,” he said.

“With the current fiscal pressures facing the Government, smarter use of the private sector in health is becoming even more important.”

The OECD report recommends reforms which strive to improve incentives and says a greater role for the private sector would spur competition and burden-sharing.

Mr Styles said other countries had successfully grown the private sector contribution. He pointed to Australia where introduction of a rebate had helped grow the insurance

contribution to healthcare costs to more than \$A11 billion a year, relieving significant fiscal pressure from the government there.

In New Zealand, the main benefits from a rebate would be to those aged over 65. The National Party's rebate proposal last year was subsequently dropped from its health policy in the wake of the worsening economic situation. Mr Styles said he was keen to look again at the rebate idea in light of the OECD report, and had been exploring ways to help with funding issues.

ENDS.

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