



Dear Sir,

I refer to the above Inquiry and I desire to submit the following submission for the House of Representatives Health and Ageing Committee.

I have had numerous clients that have been unemployed, some for a very long period of time, that wish to take out private health insurance after they commence employment. However, in each and every instance, the private health insurer has included a penalty levy commensurate with their age.

In or about the year 2000, the Federal Government had an amnesty period for those who were older than 30 years of age to get an exemption from the levy. This amnesty period ceased several years ago.

However, during the amnesty period most of my clients in question were unemployed and, therefore, did not take advantage of the amnesty as they were covered by their respective Health Care Card that gave them access to free medical and hospital care services. Be that as it may, in many instances, some of these clients have now gained employment after a considerable period of unemployment.

I submit that these very clients who wish to take-out private health insurance are now precluded because of the hefty levy that they are required to pay, depending, of course, on their age.

In view of the foregoing, I respectfully submit that the Federal Government should give serious consideration to the following options:

(a) If a person is unemployed for a period in excess of five (5) years, that person should automatically be granted an amnesty against the levy if that person desires to take-up private health insurance within six (6) months of commencing employment. In other words, such a person would be eligible for private health insurance at the base (age) rate, rather than the excess he/she would be required to pay because of their age; or

(b) If a person is unemployed for a period in excess of six (6) months, that person should automatically be granted an amnesty against the levy if that person desires to take-up private health insurance within three (3) months of commencing employment. In other words, such a person would be eligible for private health insurance at the base (age) rate, rather than the excess he/she would be required to pay because of their age.

I respectfully submit that giving former unemployed persons the inducement to enrol for private health insurance would save the Federal Government millions of dollars of taxpayer funds it would otherwise have to pay for people that fail to pay hospital fees because they are disadvantaged by the excess levy.

If I could be of any further assistance to the above Committee on this matter, please do not hesitate to contact the writer.

David Hetherington

Wed 28/09/2005