



MEDIA RELEASE

MAY 21, 2020

30 IS THE NEW 25: KIDS SHOULD BE ALLOWED TO STAY ON PARENTS' HEALTH INSURANCE PLANS FOR LONGER

Catholic Health Australia is calling for changes that will allow young Australians to stay on the parents' health insurance plans for longer to mitigate the current health insurance crisis.

New [data](#) shows that since March there has been an exodus of young people with health insurance - with 16,340 fewer people aged 25-35 having cover. It's expected these numbers will soar in the next quarter due to the COVID-19 pandemic.

CHA, Australia's largest independent grouping of health services, says new policies must be put in place to incentivise young people to take up health insurance policies - including raising the age people can stay on their parents' policies from 25 to 30.

Currently, private health insurers will generally allow young adults to stay on their parent's policies only if they are under 25, unmarried, and earning less than \$20,000 a year.

Catholic Health Australia chief executive Pat Garcia says raising the age could help stem the youth exodus.

"If we want to start plugging the holes in the private health insurance system, we need to let young Australians stay on the family plan for longer," Mr Garcia said.

"It's little wonder that asset-less 25-year-olds, faced with a sky-high property market and flat wage growth, are opting out of the private health insurance system. At the same time, older Australians have much higher incomes and greater wealth than older Australians a generation ago. So, we should allow people to stay under the family umbrella until they're better able to fund their own policies.

"We can't afford for the current downward trajectory in private health insurance membership to continue. Medicare and the public system simply can't cope with the extra demand.

"Our system should recognise that young people are living at home longer, getting married later, and starting families well into their 30s.



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"We want younger people to make the decision to purchase private health insurance at that time when they can best afford it, and also at that age when they most need it - like when they are thinking of having families of their own, when access to maternity care is top of mind, when choice of clinician is more important and when having a private room for your partner is something worth securing.

"For too many younger Australians in their mid-20s, the need for health insurance is just not top of mind. We need to recognise that and develop policies that better reflect the modern setting."

In a [submission](#) to the Federal Government, CHA is also calling for the Lifetime Health Cover (LHC), which applies a two per cent penalty to the cost of private health coverage every year after someone turns 30 and doesn't take out insurance, to be altered to kick in at 35.

"We're seeing thousands of first-time mums in their mid-30s realising they can't afford private health insurance because they've racked up years of LHC penalties, so they're turning to the strained public system," Mr Garcia said.

"Increasing the LHC to 35 will give younger people that little bit more time and will kick in at a point when they are much more likely to be looking at purchasing private health insurance, rather than being locked out of the system for not taking it up early enough. This change might just be enough to shift the balance and see more people taking out private health insurance for life.

"That can only be a good thing for their health care and the viability of the public system in Australia."

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