

People caring for people



# HI BCC AU ANNUAL CONFERENCE

Keynote Address  
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Welcome to **Ramsay Health Care**

- Listed on Australian Stock Exchange in 1997
- Owns and operates 68 private hospital and day surgery facilities throughout Australia and Indonesia with a total of 7,200 hospital beds (> 6600 beds in Aust.)
- Established in 1964 by Paul Ramsay
- Ramsay Health Care now has 25% of the private hospital market in Australia – approximately 7,000 beds/26,580 beds
- Ramsay employs almost 20 000 staff and admits over 750 000 patients per annum

# To Meet the Challenge of Cost Increases and Consumer Expectations



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- **Bipartisan Support for the Balanced Healthcare System**

## **Coalition**

- 30% Rebate
- Life Time Cover
- Increased rebate for + 65yr olds.

## **Labor**

- 30% Rebate
- Medicare Gold – expanded role for private hospitals

# The Growing Role of the Private Sector



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- 32% of all hospital beds
- Treat 4 out of every 10 patients
- Private Hospitals perform 56% of surgery
- Fulltime staff have more than doubled
- Capital investment growing at approximately 5% every year

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# Reducing the Pressure on the Public Sector



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**In the 4 years prior to 2005**

- **Private hospital admissions up 37%**
- **Public hospital admissions up 6%**

**In 2003 public hospital admissions were up  
2.4%**

**But 50% of these were private patients**

**Membership has gone from 30% to 45% and only dropped to 43% despite 3 years of average 7.5% premium increases**

**Actual numbers have remained static**

**If the Rebate is dropped it is estimated health insurance premiums would increase by approx 45%**

# Some Myths about the Private Sector



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"Private Hospitals only treat minor procedures"

- **Of the total 654 different procedures performed in Australian**
  - Private hospitals perform 647
    - Exceptions include liver, organ, heart and lung transplants
- **At the last count private hospitals treated over 500,000 accident and emergency cases**

# Some Myths about the Private Sector



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## "Health Insurance is only for the rich"

- More Australians on low incomes have health insurance than those on high incomes
- 1.8 million on incomes less than \$35,000 are privately insured.
- A consumer driven reform



# Challenges of the Private Hospital Industry



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- Selling the product better
- Funding by health insurers
- Skilled workforce shortage
- Cost of technology including IT costs
- Private Hospital's role in teaching and research



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# Future Role of Ramsay Health Care

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# Question/Answer

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