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### **Bush disadvantaged on private health cover: study**

A new study has found people in rural and regional areas are paying around \$100 million a year for private health services they do not receive.

The report in today's Medical Journal of Australia criticises the structure of the Federal Government's incentives for people to take out private health insurance, saying it disadvantages rural areas.

Researchers from the Australian National University studied previously unpublished data from the Bureau of Statistics for an article for the Medical Journal of Australia.

They found country people are paying for private health insurance subsidies they cannot use.

Study co-author Dr Buddhi Lokuge says the system is unfair.

“Regional Australians are subsidising the private services of urban Australians at a time we know there's a disparity of not only services and funding but of health in regional areas,” he said.

He says private health providers prefer to concentrate facilities in areas of high population and service demand, often neglecting less profitable rural and remote areas with equal health care needs.

Dr Lokuge says the Government must conduct an urgent review into the policy or risk a widening in the standard of health between rural and city areas.

The Federal Government says every dollar spent on the 30 per cent private health insurance rebate, saves \$2 that would otherwise have to be spent on public hospital services.

The Government says it also has a rural health strategy worth \$830 million over four years, and has spent \$4 billion on Medicare, with many of those measures geared to rural and regional areas.

Meanwhile, Australia's rural health care providers are calling for \$12 million in the

federal budget to fund scholarships for nurses and health workers in regional areas.

The Rural Health Alliance wants the scholarships to ease what it says are drastic shortages of doctors in rural and regional areas.

This is a transcript from the ABC National Rural News that is broadcast daily to all states on ABC Regional Radio's Country Hour and in the city on [ABC News Radio](#).

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