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MEDIA RELEASE

MERGER BENEFITS HEALTH FUND CONTRIBUTORS IN LATROBE VALLEY

The Private Health Insurance Administration Council (PHIAC) today announced that Federation Health, a regional health fund in the Latrobe Valley, would seek Federal Court approval to merge with Latrobe Health fund.

The announcement follows a recommendation from Mr Peter Hedge, the administrator appointed by PHIAC in December 2004, to identify problems and implement beneficial change where appropriate at Federation Health.

PHIAC Chief Executive Gayle Ginnane said the deed of arrangement for the merger, , was being developed in the best interests of the fund's contributors.

Mrs Ginnane said the merger with Latrobe Health was the best outcome for Federation Health fund contributors, staff and the services provided.

"It will be business as usual.

"No jobs will be lost, the clinics will continue to operate and the fund will continue to be managed by the Latrobe Health Board which has strong local representation," she said.

Mrs Ginnane said the Latrobe Health would retain the former Federation Health fund's health tables for 12 months and would also take over total management of Maryvale Hospital.

"Federation Health members can be confident their health fund membership and all services for which they are insured will be honoured as usual and there will be no disruption to any membership issue during the merger," she said.

PHIAC is an independent statutory authority that regulates the private health insurance industry

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