

ASX ANNOUNCEMENT

4th May 2022

NOTICE OF TERMINATION OF BUPA CONTRACT

Ramsay Health Care Limited (Ramsay) (ASX: RHC) advises that it has today issued a notice to private health insurance provider Bupa, to terminate the Hospital Purchaser Provider Agreement between the two parties.

Unless a resolution is reached between the parties, Ramsay's contract with Bupa will be terminated with effect from 2nd August 2022 which is t+90 days. Patients booked to be admitted to a Ramsay facility prior to this date will not be impacted by this decision. Ramsay will continue to accept benefits paid by Bupa for approved treatment provided to Bupa insured patients in accordance with transition requirements under the Hospital Purchaser Provider Agreement and as required by law. After the end of the transitional arrangements, Bupa insured patients will be required to pay an upfront payment on admission, being the difference between the statutory default benefit Bupa is required to pay and Ramsay's hospital treatment costs.

Ramsay Australia CEO Carmel Monaghan said Ramsay Health Care and Bupa had not reached agreement on new contractual arrangements, which may impact Bupa customers wanting to access Ramsay hospitals.

"Maintaining high quality levels of care for our patients is of utmost importance. Ramsay hospitals have played an important and active role Australia's COVID-19 pandemic response, while also ensuring our patients and health care workers have remained safe with appropriate PPE, social distancing, cleaning and training," Ms Monaghan said.

"Costs of providing care have significantly increased for private hospitals over the past two years. On the other hand, health insurers have accumulated profits of \$1.8 billion in the calendar year to 31 December 2021¹."

"Ramsay still hopes to reach agreement with Bupa prior to the contract termination date."

Ramsay will be communicating with impacted patients to keep them informed and provide them with options, which in light of the portability rules in the Private Health Insurance Act include changing health funds.

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The release of this announcement has been authorised by the Ramsay Health Care Disclosure Committee.

¹ APRA December 2021 quarter private health insurance statistics