

Media Release

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Private Healthcare Australia
Better Cover. Better Access. Better Care.

Australian Health Funds best placed to deliver access to much needed dental care

Access to dental services is a major issue for many people on low incomes and in many parts of the country.

Australian health funds are ideally placed to deliver a future government scheme to increase access to dental services for the most vulnerable in the community, given health funds are the major funding source for dental care and have an unequalled track record keeping out of pocket costs under control.

Over 14.5 million Australians (55% of the Australian population) have Extras cover with dental insurance coverage.

Private Healthcare Australia CEO Dr Rachel David said “Private health insurance is currently the most effective funding mechanism for dental services in Australia. Health funds use contracted billing arrangements with dental practitioners to sustainably pay higher rebates for treatment in exchange for no or known out of pocket costs.”

Out-of-pocket costs for dental services provided through health funds have been static from 2010-11 to 2021-22, with no increase over that period. This contrasts sharply with government-run programs over the same period. Services covered by the Medicare Benefits Scheme have experienced sharp increases in out-of-pocket expenses from 2010-11 to 2021-22, including general practice (up 63%), medical specialists (up 98%), and allied health (up 95%).

Health funds are paying for more dental services than ever before. Expenditure on dental services by PHI has increased from 14.4% in 2009-10 to 20.2% in 2020-21, while the proportion of total expenditure (including PHI premium rebates for dental) on dental services by the Australian Government has dropped from 12.8% in 2009-10 to 12.2% in 2020-21. The proportion of total expenditure on dental services by State and Local Governments has dropped from 10.0% in 2009-10 to 8.5% in 2020-21. (AIHW)

“The Private Health Insurance Rebate is a key factor in supporting Australians access to dental services. The vast majority of health fund members are not rich - 42% have a taxable income of \$50,000 per year or less and for 10% of these the aged pension is their only income,” said Dr David.

“Increasing the rebate for people on very low incomes, particularly as cost of living pressures escalate, is a more effective and fairer use of resources than the introduction of a universal subsidy for dental. Including dental care into Medicare is not an equitable solution as the wealthy would receive exactly the same rebate from Medicare as people living below the poverty line, those who are homeless, and Australians living in areas where access to care is severely limited.

“The Albanese Government has recognised the principles of Medicare require greater support for the more vulnerable across the community through targeted measures in the 2023-24 Federal Budget to improve access to primary care. The inclusion of dentistry to Medicare would simply subsidise the wealthy and exacerbate the existing workforce distribution problems.

“In addition, Commonwealth-funded dental schemes have been plagued with criticisms including that services are restricted, incentives to dentists to participate are inadequate, over-servicing and potential fraud.

“Health funds support a more targeted approach to assist the vulnerable and have the expertise to deliver a future Commonwealth-funded scheme that avoids the challenges faced by previous government dental programs,” said Dr David.

- Dental is the largest area of expenditure by private health insurance under Extras cover; nearly 55% of extras claims funded by private health insurance is for dental care.
- In 2022, health funds collectively paid an annual record of \$3.1 billion (including premium rebates) for members' dental treatments, covering over 47.6 million dental services (a 6.4% expenditure increase from 2021 and an 8.9% expenditure increase from pre-COVID 2019).
- One dollar in every seven (14.6%) of total annual health expenditure by private health insurance funds is for dental services.

[PHA's submission to the Select Committee into the Provision and Access of Dental Services in Australia.](#)

Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 21 Australian health funds with a combined membership of over 14 million Australians, or 98% of the sector on membership.

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