

# Media Release

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

## **Australians sign up to private health insurance in record numbers to avoid hospital waiting lists**

Australians are taking out private health insurance in record numbers to avoid catastrophic delays in essential non-emergency surgery.

More Australians than ever before have realised the value of PHI during the COVID-19 pandemic. The latest APRA data shows that there have been six consecutive quarters of growth in PHI membership and now more than 14.116 million Australians have private health cover. There has been record growth in both hospital and general treatment policies.

Private Healthcare Australian CEO Dr Rachel David said, “improving affordability and access to private health insurance is the key addressing the current hospital crisis and ensuring Australians can access the healthcare they need.”

“Private health insurance is the most effective way to clear the backlog of surgery and take pressure off the public hospital system. It’s now more critical than ever that the government implement promised reforms to improve affordability and keep pressure off premiums.

“Unfortunately, the cost of generic medical devices is consistently identified by APRA as the fastest growing area of healthcare claims expenditure, and therefore the main driver of premium increases. Over the past two years, growth in benefits paid for medical devices (3.8 per cent) has exceeded growth in benefits paid for medical services (3.0 per cent).”

“Under the Government’s current pricing agreement with multinational medical device companies, patients are forced to pay 30-100 per cent more for the same medical devices compared to France, New Zealand and the UK.

“Approximately \$6.2 million is spent on medical devices in Australia every day. Around \$2 million every day is shipped offshore in supernormal profits for big multinational medical device companies. Australian families can ill-afford to line the pockets of these multinational corporations.

“The 2021 Federal Budget included a commitment to start slowly reducing the cost of overpriced of medical devices in Australia, saving consumers tens of millions of dollars and reducing cost of living pressures on families. This promise should be implemented now, before demand for essential non-emergency surgery starts to escalate again.

“With cost of living now a major issue for most Australians, it is time for the Government to restore the PHI rebate to 30 per cent (it is currently less than 25 per cent) for low and middle income families.

“Australian retirees and working mums with children are all relying on their private health insurance for timely access to healthcare and to keep their families well. We have an obligation to do the right thing by them and introduce reforms to reduce costs wherever possible.



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“Health funds are doing everything in their power to keep PHI affordable in spite of an ageing population and inflationary cost pressures driven by inappropriate pricing of medical technology. Last year they delivered the lowest average premium increase in 21 years at 2.7%. Many funds have deferred the premium increase and are progressively returning any savings accumulated as a result of COVID lock downs to their members,” said Dr David.

Despite the impact of the pandemic, health funds paid almost \$22 billion in claims on behalf of members in the 12 months to December 2021. In addition, 4.74 million hospital episodes were funded by PHI, up from the previous 12 month record of 4.72 million in the year to March 2020.

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*Private Healthcare Australia is the peak representative body for Australia’s private health insurance industry. PHA represents 23 Australian health funds with a combined membership of over 13 million Australians, or 97% of the sector on membership.*

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