

Media Release

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Health funds are supporting their members with alternative maternity care options

Health funds are supporting their members with alternative arrangements for maternity care in the Northern Territory and Tasmania after Healthscope announced it was closing private maternity services.

Healthscope announced today that Darwin Private Hospital's maternity unit will close from April 17 and Hobart Private Hospital's maternity unit will close from August 20 due to declining births and workforce shortages.

Chief Executive of Private Healthcare Australia, Dr Rachel David, said health funds were disappointed to hear of the closures but were supporting affected members to find alternative maternity care.

"I'm sure this will cause a lot of concern for people planning a birth in the Northern Territory and Tasmania. I can assure you that health funds are doing everything they can to support their members with alternative arrangements," she said.

Health funds are working with governments in the Northern Territory and Tasmania, as well as health professionals, and other private hospital services to ensure affected health fund members have maternity care options.

There are many factors causing a downturn in demand for private maternity care, including fewer people choosing to have babies, workforce shortages and the high cost of specialist doctors' fees to manage the pregnancy in their consulting rooms, which health funds are not legally allowed to cover.

Dr David said most of the maternity unit closures over the past decade had been in regional and rural areas because it was hard to keep obstetricians, midwives, anaesthetists and paediatricians in those areas to safely run maternity units. A minimum number of births must occur in a maternity service for it to be considered safe.

"Health funds are very concerned about the viability of private maternity services, so we are working with the Federal Government on ways to make the system more sustainable without increasing costs for pregnant women and their families," she said.

"We want expectant parents to have a genuine choice about who cares for them and where they will give birth with a clear understanding of how much it will cost from the very beginning. We must find new ways to deliver high quality and affordable private maternity care, so we have a sustainable system that balances demand for our busy public hospitals."

Dr David rejected claims private maternity units were closing due to a lack of funding from health funds.

Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents more than 20 Australian health funds and 14.8 million Australians (55% of the population) who have private health insurance.

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“The barriers to sustainable private maternity services have little to do with health funds and won’t be fixed by additional funding to private hospitals alone. They include the shortage of obstetricians, midwives, anaesthetists and paediatricians in some parts of Australia,” she said.

“Similarly, health funds cannot control what obstetricians charge. People commonly report paying more than \$6500 in out-of-pocket fees for an obstetrician to manage their pregnancy and birth. This is a major cause of people turning away from private hospital maternity care during a cost-of-living crisis.”

In response to commentary about the closures today, Dr David said there is no risk of ‘US-style managed care’ in Australia because it is illegal.

“Any suggestion that health funds want a system where they control clinical decision making is fanciful. In Australia, health funds cannot pre-authorise treatment and there are penalties for directing doctors and others health professionals to act against the patients’ best interests.

“In addition to this, we do not have narrow health networks, consumers can change their health fund at any time, and we have a community rating system of insurance. This means nobody can face discrimination from a health fund based on their health history and profile.”

About 15 million people have private health insurance in Australia, and about a third are covered for maternity care. About one in four births occur in private hospitals.

Ends

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