

Media Release

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

Health funds fulfil commitment to return COVID savings to members

Private Healthcare Australia CEO Dr Rachel David said Australian health funds had put members first during the COVID-19 pandemic and were fulfilling their commitment to return any savings accumulated as a result of lockdowns to their customers.

“Today’s ACCC report into the private health insurance industry confirms that health funds were true to their word and have handed back more than \$2 billion to members as at 30 June 2022. Health funds are continuing to return savings to members.

“From the outbreak of COVID-19, health funds worked closely with regulators and immediately committed not to profit from the pandemic. No other health sector group made this commitment.

“During the COVID-19 pandemic, Australians signed up for private health insurance in record numbers, with the latest APRA data showing nine consecutive quarters of growth in participation. There are now more than 14.37 million Australians with private health cover. This is taking the pressure off struggling public hospitals still recovering from the impact of the pandemic.

“The Australian public clearly believes private health insurance is value for money. Affordability, however, remains a major concern for Australians with private health insurance. Sensible health sector reform will allow health funds to better manage premium growth.”

The ACCC report highlights the impact of the inflated cost of medical devices (prostheses) in the private sector on pricing, stating: *“Making the minimum benefits set in the Prostheses List more competitive could benefit consumers by reducing the costs incurred by insurers and the insurance premiums they charge”.*

“The issue of inflated medical device pricing, whereby private patients are paying between 30-100% more than in comparable countries for generic medical devices such as hip and knee replacements, requires ongoing review and scrutiny by the Government to help health funds keep inflation under control and provide members with affordable cover,” said Dr David.

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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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