

Media Release

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Health insurance membership grows despite cost-of-living pressures

A growing number of Australians are investing in health insurance so they can receive fast, high-quality healthcare with their choice of doctor in the private system, new data from the Australian Prudential Regulation Authority (APRA) shows.

In the last quarter of 2024, a total of 59,000 Australians purchased health insurance with hospital cover, and 63,000 purchased general treatment insurance to access more affordable allied healthcare such as dental, physiotherapy and optical services.

More than 15 million Australians now have some form of health insurance - 54.9% of the population. This is a record high and follows more than four years of consistent growth in health insurance membership across the country.

"We know many Australians are doing it tough right now, so this data shows a growing number of people are prioritising access to healthcare for themselves and their families," said Private Healthcare Australia Chief Executive Dr Rachel David.

"A lot of people are concerned about long waits for surgery in the public hospital system and a lack of access to mental health care. This is contributing to growth in membership."

The APRA data shows health funds paid \$18.73 billion in 2024 for members' hospital treatment, up 8% on the year before. This was higher than health inflation (the changing cost of health services) which rose 4% during the same period.

For each insured individual with hospital coverage, the average hospital benefit payment by health insurers increased by 5.4% over the year to December 2024 from \$1,433 to \$1,510.

Dr David said while health funds continue to offer more value to consumers than any other type of insurance, the APRA data showed a worrying rise in out-of-pocket costs being charged by doctors and some hospitals without health fund contracts in 2024.

"The average out-of-pocket fee charged for hospital treatment jumped 7% from \$410 to \$439 in 2024. And the average 'gap fee' being charged by specialist doctors is now \$276 with variation among different types of doctors. Orthopaedic surgeons are charging the highest fees, hitting patients with an average \$730 bill," she said.

"Given orthopaedic surgery is booming for our ageing population, we are deeply concerned about this.

Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 22 Australian health funds. Over 15 million Australians (55% of the population) have private health insurance.

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“In Australia, the law determines doctors can charge whatever they like, and a small number are charging egregiously. We need to get this under control to ensure people can afford to see specialists when they need to.

“It is not possible for health funds to chase rapid inflation in gap fees with additional benefits, without increasing premiums.”

PHA is calling on the Federal Government to create an opt-out system for doctors to publish all their fees on the Government’s [Medical Cost Finder](#) website, so consumers can research fees before choosing a specialist doctor to consult.

PHA also wants stronger consumer laws to ensure patients are not held liable for any costs not disclosed up-front within a reasonable time before their medical treatment.

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