



Health insurance rebate cut for over 65s will put regional private hospitals at risk

Private Healthcare Australia (PHA) has warned the Federal Government's proposed changes to the private health insurance rebate for older Australians could threaten the viability of dozens of private hospitals that regional communities rely on for essential healthcare.

PHA said many private hospitals serving large populations of older Australians are at risk of a significant reduction in patient activity if thousands of seniors are forced to drop or downgrade their health insurance because of steep premium increases expected next year.

Under the Government's proposed changes, many Australians aged over 65 on low and fixed incomes will receive a reduced private health insurance rebate, increasing the amount they pay out-of-pocket for cover. More than 3 million people will be affected by the change including more than 400,000 pensioners with health insurance.

Australians aged 70 and above with Gold hospital cover could see premiums surge 21 per cent from next April. This translates to an annual premium increase of about \$807 for an individual and \$1614 for a couple.

"Regional communities will be among the hardest hit if these changes proceed," Dr David said.

"In many country towns and regional centres, the local private hospital is not a luxury - it is an essential part of the health system.

"If activity drops significantly because older Australians can no longer afford their cover, some private hospitals will struggle to remain viable. That would mean fewer local healthcare options and more pressure on already stretched public hospitals."

PHA said the Government has forecast around 44,000 older Australians will leave private health insurance as a result of the rebate changes, but the assumptions underpinning that figure have not been made public.

Health funds are deeply concerned about the potentially much larger number of older Australians expected to downgrade their policies to cheaper products with fewer services covered.

"That could mean many older Australians losing cover for procedures such as joint replacements or mental health treatment, which are included in Gold policies," Dr David said.

"Patients who can no longer access treatment through the private system may instead end up joining public hospital waiting lists, creating additional strain on regional public hospitals already under pressure."

PHA has identified regional private hospitals where more than 70 per cent of privately insured patients are aged over 65, making them particularly vulnerable to changes in older Australians' insurance participation.

Hospitals of concern include:

- In Queensland: Eden Private Hospital, Nambour Selangor Private Hospital, St Stephen's Hospital, Hervey Bay Surgical Hospital and Noosa Hospital.

- In New South Wales: Forster Private Hospital, Border Cancer Hospital, Mayo Private Hospital, Toronto Private Hospital, St Vincent's Private Hospital Lismore, Figtree Private Hospital, Berkeley Vale Private Hospital, Nowra Private Hospital, Port Macquarie Private Hospital and Shellharbour Private Hospital.
- In Victoria: Beleura Private Hospital, Maryvale Private Hospital and Mildura Health Private Hospital.

Dr David said there is also concern about services in Tasmania because it has an older population than the rest of Australia. She said the consequences for regional communities could be severe if local private hospital services were reduced.

"In some areas, losing local private hospital capacity could force patients to travel many hours for surgery, rehabilitation or specialist treatment," she said.

"These hospitals support local jobs, local specialists and local healthcare services. Once services are lost in regional Australia, they can be very difficult to restore.

"We are urging the Government to carefully consider the unintended consequences of these changes before the Budget is handed down."