

Media Release

18 June 2024



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

NSW Budget delivers cost of living hit for four million private health insurance holders

Four million New South Wales residents will be hit with higher private health insurance (PHI) premiums as a result of an 'own goal' in today's NSW Government Budget.

Private Healthcare Australia (PHA) CEO Dr Rachel David said the NSW Government's decision to raise revenue by increasing the bed rate for private patients in public hospitals was extremely disappointing and would have far reaching consequences for the entire NSW health system and all residents.

"As a result of today's decision, health insurance premiums will increase by 2.5 percent on average, costing families on a typical silver policy at least an additional \$120 per year. This decision comes on top of the massive inflation in the health sector from the rising costs of wages, power and food that the health insurance funds will need to cover.

"PHA will work with the NSW government to minimise the impact of this decision on consumers and support a fair mixed public/private health system."

Over half the NSW population has private health insurance – and over a million people with private health insurance in NSW have disposable incomes of \$50 000 per year or less.

"In a cost of living crisis, families, retirees and pensioners cannot afford to patch a hole in the NSW budget, and the overstretched public health system cannot afford an influx of patients. This measure to raise \$490 million over five years will backfire on the NSW Government.

"This is terrible news for families already struggling with cost of living pressures and high insurance premiums. As premiums increase, thousands of people with private health insurance will be forced to downgrade or drop their cover and rely solely on the public system, putting more pressure on public hospitals and emergency departments.

"Health fund members in NSW will be worse off, and so will the public hospital system - meaning all NSW residents will lose. This revenue raising tactic will simply add pressure to elective surgery waiting lists and emergency waiting times.

"As a general rule, private patients should not be taking up public hospital beds. There are plenty of empty beds in the private system at the moment, so it does not make sense to try and attract more private patients in public hospitals.

"In a highly inflationary environment with residents struggling to manage the cost of living, this decision will come as an unexpected and severe blow to the people of NSW."

Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 22 Australian health funds. 14.8 million Australians (55% of the population) have private health insurance.

Media contact: Jen Eddy
M: 0439 240 755

Private Healthcare Australia
Suite 7, Level 36
1 Farrer Place
SYDNEY NSW 2000

T: (+61) 2 6202 1000
E: admin@pha.org.au
www.privatehealthcareaustralia.org.au
X: @PHA_Healthcare