

# Media Release

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Private Healthcare Australia  
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## **New data shows private health insurer funding for private hospitals reaches all-time high**

Health fund payments to hospitals surged 8% over the past year as an increasing number of Australians turned to private hospitals for rapid access to care, including elective surgery.

These payments are now at 117% of pre-pandemic levels, showing private hospital activity is ramping up after a slower than usual period between 2020-2023.

The new data from the [Australian Prudential Regulation Authority \(APRA\)](#) also shows a record number of Australians are contributing to their own healthcare via health insurance, so they can access preventive health services and private hospital treatment if they need it.

Nearly 14.9 million Australians now have some form of health insurance – up from 14.7 million at the end of 2023 and 13.6 million at the end of 2019 before the pandemic. And more Australians are using their health insurance for access to dentistry, physiotherapy, and optical services among other ‘extras’, as well as hospital care.

CEO of Private Healthcare Australia (PHA) Dr Rachel David said the data shows Australia’s private health system is taking an enormous amount of pressure off our busy public hospital system at a critical time.

“Two thirds of planned surgery is now funded by private health insurance, which is critical at a time when public hospitals are under pressure and waiting lists have blown out around the country.”

“This data confirms many Australians are prioritising their health and access to private health services during tough economic conditions,” she said.

“There’s been a 5.2% rise in health fund payments for extras in the year to June 2024, and a 7.9% jump in health fund payments for hospital treatments, showing the value of health insurance.”

However, with health funds trying to keep premiums as low as possible during a cost-of-living crisis, Dr David warned some expenditure was unsustainable and would drive up the cost of health insurance in coming years.

“Health funds paid a record high \$2.4 billion for generic medical devices such as pacemakers, insulin pumps, and joint replacements last year,” she said.

“There’s been an 18.8% increase in the volume of medical implants and surgical supplies claimed from health funds since 2019. This is totally out of proportion with a 4.7% increase in the number of medical services funded by health funds over the five years to June 2024.”

Dr David said there had been no measurable improvement in patient outcomes as a result of this runaway growth.

*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.*

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“This cannot continue. The Commonwealth-regulated Prescribed List is incentivising the overuse of medical devices to boost profits for multinational medical device companies, and there is potential for it to put patients at risk,” she said.

Dr David said the medical device pricing system for private healthcare has resulted in Australia paying 30 - 100% more than equivalent countries for commonly used medical devices. This is unnecessarily driving up the cost of health insurance for Australians working hard to pay for it.

“Despite strong growth in health insurance membership for four years, we know many Australians are struggling to pay their premiums. Some are barely holding on. We need to reduce wasteful spending and take meaningful action to put downward pressure on health inflation, so health insurance remains affordable now and into the future.”

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