

Media Release

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Private Healthcare Australia
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Obstetricians urged to reduce fees for private maternity care in a cost-of-living crisis

Obstetricians are charging some of the highest out of pocket fees of all doctors in Australia – this is the major barrier to people choosing private maternity services, the peak body for health funds says.

A shortage of obstetricians and paediatricians in some regional areas is also causing private maternity units to close as private hospitals battle inflationary costs.

In response to reports about private maternity hospital services being in ‘crisis’, CEO of Private Healthcare Australia Dr Rachel David said a complex ‘perfect storm’ of factors was disrupting demand for the traditional model of private maternity care in Australia.

“The easiest thing in the world is to blame the woes of private obstetrics on health insurance funds, but this will do nothing to address the root causes of why many mums are reluctant to have their babies in private. Every participant in the private health system needs to take responsibility for this, as the funds do not have all the levers to fix the problems.”

“Research shows the number one reason people don’t choose a private hospital to give birth is the out-of-pocket fees charged by obstetricians which can be up to \$10,000 in major cities. Under Australian law, this is a fee that health insurance is not allowed to cover,” she said.

“When you add the cost of scans and pathology costs, and any out-of-pocket fees charged by an anaesthetist who doesn’t bulk bill, for example, you can see why people are opting for other models of maternity care, including free care in a public hospital during a cost-of-living crisis.”

Dr David said recent data from Zable showed some obstetricians are charging up to \$650 for a first consultation – an extremely high fee compared to other medical specialists including general surgeons.

“Under Australian law, obstetricians can charge whatever they like and health funds are not allowed to cover the care they provide to women during pregnancy in the lead up to birth. If obstetricians want private maternity care to remain viable, they need to be accountable by reviewing their fees,” she said.

Dr David said the price of “Gold” health insurance policies can also be prohibitively expensive for people wanting private maternity care. The product tiering system was introduced by the previous Federal Government over five years ago, despite warnings from the sector it would be highly inflationary for top hospital cover. It’s now well past time for these regulations to be reviewed.

“Health funds know the affordability of top tier private health insurance is part of this story. But it’s impossible for health funds to pay hospitals more and reduce premiums at the same time. All players need to take responsibility and look at how we can find savings to deliver more affordable private maternity care,” she said.

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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“Health funds want private maternity care to thrive, but there’s only so many levers health funds can pull. Hospitals should be looking at innovative models of care which meet patients’ needs, including midwifery led models, and obstetricians must review their fees.”

Note to reporters and editors: A report in Nine publications today suggested nib members will be “barred” from using private hospitals run by St Vincent’s Australia. This is incorrect. The contract negotiations between nib and St Vincent’s are continuing and nib members can still use their insurance in hospitals run by St Vincent’s Australia.

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