



## Older Australians among biggest Budget losers as health insurance rebate cut hits seniors

More than three million older Australians - including more than 400,000 pensioners with private health insurance - will be hit by the Albanese Government's decision to cut private health insurance rebates for Australians aged over 65 in tonight's Federal Budget.

Private Healthcare Australia warned the decision would force millions of retirees to [pay hundreds of dollars more](#) each year to keep their cover, place additional pressure on public hospitals, and threaten the viability of some regional private hospitals that care for large numbers of older Australians.

From April next year:

- Australians aged 65–69 earning under \$101,000 as a single or \$202,000 as a family will see their rebate reduced from 28 per cent to 24 per cent.
- Australians aged 70 and over in the same income brackets will see their rebate reduced from 32 per cent to 24 per cent.

The changes come on top of inflation driven annual premium increases which averaged 4.4% this year. This means 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.

Private Healthcare Australia said the impact would fall hardest on retirees living on fixed incomes, including pensioners and part-pensioners who have maintained private health insurance for decades to ensure timely access to healthcare with their own choice of doctor, and to reduce pressure on the public system.

PHA Chief Executive Dr Rachel David said the Government was shifting healthcare costs away from the Commonwealth budget and onto older Australians, state hospitals and taxpayers.

"This Budget makes more than three million older Australians losers by forcing them to pay more for the health cover they rely on to look after themselves at a time of life when they need it most," Dr David said.

"More than 400,000 pensioners with private health insurance will also be caught up in this change despite already facing significant cost-of-living pressure."

"For many retirees, this will not be a small change. It will mean difficult decisions about whether they can continue to afford health cover at all."

PHA warned the Government's estimate that around 44,000 people may drop their private health insurance understates the broader impact because many more older Australians may instead downgrade their cover, increasing the risk they will no longer be adequately insured for procedures they later need.

"We are concerned many older Australians will move to cheaper policies with significant exclusions or restrictions and only discover they are not covered when they need treatment," Dr David said.

"This creates a flow-on effect for public hospitals because patients who lose or downgrade cover do not disappear from the health system - they end up relying more heavily on publicly funded care."

*Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents more than 20 Australian health funds and 15 million Australians (55% of the population) who have private health insurance.*

Regional Australia is expected to be disproportionately affected because private health insurance participation among older Australians is particularly strong outside metropolitan areas.

Many private hospitals that currently treat large numbers of older Australians are located in regional communities, meaning even modest reductions in insured patient numbers could place financial pressure on services and reduce local healthcare access.

Tasmania is expected to be especially vulnerable due to its older population profile, high rates of chronic disease and strong reliance on private healthcare services to support the broader health system.

PHA reiterated its call for low-income older Australians earning under \$55,000 a year to be spared from the change.

[You can read more about expected price rises for seniors in 2027 here.](#)