



PHA plan to put private healthcare within reach of young Australians

Private Healthcare Australia Chief Executive Dr Rachel David said restoring the rebate to 30% for Australians under 40 would drive increased young adult participation in PHI, helping to maintain the balance in our mixed private-public health system.

Dr David said health funds “have now gone as far as they can to manage premium costs at the consumer level and health inflation still remains significantly above CPI. This is why we have developed a well-researched proposal for the government on improving youth participation in PHI, which will help keep premiums down for everyone.” [[Full Report](#)]

The Australian Government could, working alongside health funds, help halt and reverse the trend of declining young adult participation in private health insurance through three actions:

- Restoring the rebate to 30% of PHI premiums for participants under the age of 40, effectively delivering an additional 5% reduction in PHI premiums for younger members
- Introducing a Fringe Benefits Tax exemption applicable to private health insurance premiums for employees under the age of 40
- Increase awareness of existing PHI initiatives such as the newly introduced age-based discount and the Lifetime Health Cover policy

“This is a modest, targeted proposal that will put PHI within the reach of young people who will benefit from healthcare services not readily available to them in the public sector, such as mental health treatment and dental care. The proposal will assist teachers, nurses, police, first home buyers who have traditionally held PHI to take the first step to protecting their family’s health and well-being.”

Preliminary estimates, grounded in evidence from recent primary research, suggest applying these three levers could restore participation in hospital cover in the 18-39 age group to 38% by 2024, compared to a projected 32% participation rate if no action was taken,” she said.

Dr David said the estimated steady state annual cost of this package in FY24 is estimated at \$1.2bn to the Australian Government, but is expected to be partially offset by \$310m of savings, due to the shifting of privately insured members to private funding for their hospital care.

“This investment would not only drive increased young adult participation in PHI, but would critically support the public hospital system and stabilise public hospital elective surgery.

“Additionally, it would enable the funds to stabilise premium growth in the industry, and therefore ensure the sustainable coexistence of Australia’s publicly funded universal healthcare system, and its vital private healthcare services.”

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