

Media Release

28 February 2024



Private Healthcare Australia
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Statement from Private Healthcare Australia - PHI Premiums 2024

A report on the front page of 'The Australian' newspaper suggesting the health insurance industry is in a 'war of words with Mark Butler' and in 'fear' about the timing of the premium announcement is false.

The 'health insurance row' referred to in the report is a fiction and 'six of the nation's largest health funds' have not commented publicly on the premium setting round as reported. Our industry has not accused the Government of anything as suggested in the header.

The Australian claims to have:

“spoken to six of the nation's largest funds who say it is the longest wait on a premiums call from a government in 15 years, and they do not have enough time to notify their customers of any price increases if Health Minister Mark Butler does not make a decision this week.”

As the peak body representing 98 per cent of the health insurance industry on membership, Private Healthcare Australia was advised by the six largest funds that this assertion is untrue. *

This story is a beat up which will do nothing more than create unnecessary fear among customers. It is an attempt to politicise a detailed financial and bureaucratic process.

Australian health funds will provide customers with timely notification of any increase or adjustment to their private health insurance premium. This is essential to ensure customers can manage their financial planning as cost of living pressures increase.

Health funds have a strong track record when it comes to keeping customers informed of pending changes to policies and premiums, as demonstrated repeatedly during the COVID-19 pandemic.

While health funds generally adjust premiums on 1 April each year, this is not a legislative requirement. This was evident during the pandemic.

Private Healthcare Australia CEO Dr Rachel David said “health funds have been working co-operatively with the Federal Government and sector regulators on premium pricing to ensure the additional burden on consumers is as low as possible given the impact of the cost of living crisis.

“We need to be careful, however, to ensure our health providers are appropriately remunerated for increases in recruitment, power and food because like the rest of the economy, they have been impacted by inflation.

“Premiums increase because the cost of healthcare is increasing. The health system is not immune from inflation. We anticipate from industry data the premium increase will be below CPI,” said Dr David.

*PHA contacted Medibank, Bupa, HCF, HBF nib and Australian Unity. Only Medibank provided a written comment to The Australian which was not reported.

Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 21 Australian health funds. 14.7 million Australians (55% of the population) have private health insurance.

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