



## Seniors face health insurance bill shock of up to \$1,600 a year under Government rebate changes

Older Australians could be hit with health insurance price rises three times higher than younger Australians from April next year, with some retirees facing annual increases of more than \$1,600, analysis from Private Healthcare Australia shows.

The figures reveal the real-world impact of the Federal Government's proposed changes to the private health insurance rebate for Australians aged over 65. The Albanese Government is proposing to slash a higher rebate currently paid towards health insurance for seniors to find around \$3 billion in savings for the May budget.

If the policy proceeds, Australians aged 70 and above with gold hospital cover could see premiums jump by more than 21 per cent from next April, compared to about 4 per cent for people under 65.

Private Healthcare Australia CEO Dr Rachel David said the policy risks placing hospital cover beyond the reach of many retirees living on fixed incomes, including more than 400,000 pensioners, with major consequences for the balance of demand across our health system.

"These are Australians who have done exactly what governments encouraged them to do - maintain health cover throughout their lives so they can access private healthcare and take pressure off the public system. Now, just when they need their hospital cover most, they are being singled out for the biggest price increases we've ever seen," she said.

More than 3 million Australians aged over 65 have health insurance.

PHA modelling below shows expected premium increases if the rebate changes proceed alongside the expected annual average premium change on 1 April 2027:

	Individuals			Couples	
	Typical premium rise from April 2027			Typical premium rise from April 2027	
	Silver	Gold		Silver	Gold
Under 65	+\$81	+\$504	Under 65	+\$163	+\$1,008
65 - 69	+\$155	+\$655	65 - 69	+\$311	+\$1,311
70+	+\$299	+\$807	70+	+\$459	+\$1,614

**\* Rebate eligibility for couples is determined by the age of the oldest partner. Additional modelling and notes below.**

While Health Minister Mark Butler has said the proposed changes are about intergenerational equity, the changes disproportionately affect Australians who are most likely to need hospital care but least able to absorb rising costs.

Many retirees rely on fixed incomes or savings, meaning even modest premium increases can force difficult decisions about keeping cover.

“For some older Australians this will mean choosing between paying for health insurance or dropping cover altogether,” Dr David said.

“When seniors leave private health insurance, the pressure doesn’t disappear. It shifts straight onto already stretched public hospitals which ultimately costs taxpayers more.”

Private Healthcare Australia warned higher premiums for older Australians could also trigger a wave of policy downgrades among seniors - the group most likely to require planned surgery such as joint replacements, cardiac care, cancer treatment, and cataract operations.

Dr David said maintaining affordable cover for older Australians protects both patients and the broader health system. Multiple independent reviews have found investment in the health insurance rebate delivers net savings to governments because reductions in public hospital demand outweigh the cost of the subsidy itself.

In 2023, [University of Newcastle](#) researchers found that on average, the Australian Government saves \$554 for each person it helps with its health insurance subsidies per year.

“This isn’t just a private health issue - it’s a public hospital capacity issue,” Dr David said.

“Policies that push older Australians out of private cover ultimately increase waiting lists for everyone.”

Private Healthcare Australia is urging the Government to reconsider the proposal and retain current rebate settings for low-income Australians aged over 65 earning less than \$55,000.

“Older Australians have kept their side of the deal. They should not be asked to balance the Budget at the expense of their healthcare security,” Dr David said.

**What seniors could pay from April 2027**

	<b>Silver cover</b> – expected rise in April 2027 (\$)	<b>Silver cover</b> – expected rise in April 2027 (%)	<b>Gold cover</b> – expected rise in April 2027 (\$)	<b>Gold cover</b> – expected rise in April 2027 (%)
Individual under 65	\$81	4.4%	\$504	13.3%
Individual aged 65-69	\$155	8.4%	\$655	17.3%
Individual aged 70+	\$229	12.4%	\$807	21.3%
Couples under 65	\$163	4.4%	\$1008	13.3%
Couples aged 65-69	\$311	8.4%	\$1311	17.3%
Couples aged 70+	\$459	12.4%	\$1614	21.3%

**Notes:**

1. For a couple's policy in Australia, the private health insurance rebate is calculated based on the age of the oldest person covered by the policy.
2. For all cover rates, we have selected the typical policy cost as listed by Canstar (noting there are significant cost differences between policies). Silver single cover \$1854, couples \$3708. Gold single cover \$3790, couples \$7580.
3. The price rises are based on the average price rises for 2026, where gold policies increased significantly more than silver and other policy levels. The government average price rise figure was 4.41%, while Choice stated the average gold policy increase was 13.3%. The actual base price rises in 2027 may be different.
4. All dollar values are rounded down.