# Media Release

16 June 2025

**Specialist doctors' fees threaten the future of private hospitals**

The rising cost to see some specialist doctors in the community, such as psychiatrists, obstetricians and cardiologists, is decimating demand for private hospitals and undermining the value of health insurance for 15 million Australians.

Private Healthcare Australia, the peak body for health insurers, is calling for the Federal Government to urgently act on the Grattan Institute report out today [Special treatment: Improving Australians' access to specialist care](). The report reveals nearly two million Australians are skipping or delaying health care due to the soaring cost to see a specialist doctor in the community, with some charging nearly $1000 up-front for a first appointment.

The trend comes as some private hospitals are experiencing low demand, particularly for mental health care and obstetrics – two medical specialties where some doctors charge very high fees. These fees, charged outside of a hospital admission, cannot legally be covered by health insurance.

This has contributed to a 10% decline in community-based specialist consultations over the past five years, despite a growing population. The financial barrier is not only affecting people's health but also leading to underutilisation of private hospital beds, as patients are not following through on the specialist referrals required for a hospital admission.

"If a doctor is charging you nearly $1000 up-front for an appointment in their rooms before they even discuss treatment in a private hospital, that is a massive barrier to private hospital care. This is eroding demand for private hospitals and threatening the viability of some private hospitals," said Dr Rachel David, CEO of Private Healthcare Australia.

"If the Federal Government wants to help private hospitals delivering essential care in areas of need, it needs to address the cost to see some specialist doctors. Health insurers cannot keep paying private hospitals more and more to help them through a difficult period if the key to their survival rests with doctors. When health insurers provide funding to private hospitals for no service, it drives up the cost of health insurance for millions of Australians for no public benefit."

In recent years, health insurers have provided more than $270 million in financial hardship payments to private hospitals outside of paying for health insurance members' hospital claims. During the pandemic, the Federal Government provided $1.5 billion to private hospitals to keep them viable during social restrictions.

The Federal Government is currently considering a range of potential reforms to make the private hospital system more accessible.

PHA endorses the Grattan Institute's five-point plan to bring the cost of specialist doctors' fees down, including:

- withdrawing Medicare funding from specialists who charge excessively high fees

*Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 22 Australian health funds. 15 million Australians (55% of the population) have private health insurance.*

- publishing doctors' fees on the Medical Costs Finder website so consumers can shop around
- increasing federal funding for specialist training, particularly in rural areas
- recognising overseas specialist qualifications to boost the workforce, and
- modernising the public specialist system by expanding clinics and enabling GPs to consult specialists for better care coordination.

In the meantime, Dr David said there is no evidence you get better treatment from a doctor that charges more. She urged consumers to discuss fees with their GP and specialist clinics before attending for a first appointment.

"If you need specialist medical care and you're worried about the cost, talk to your GP about finding a specialist you can afford. There are still some specialist doctors who bulk bill or will help you with the cost, so you don't have to delay medical treatment."