

# Media Release

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Private Healthcare Australia  
Better Cover. Better Access. Better Care.

## **Urgent health reform needed to reduce record public hospital waiting lists and cost of living pressure**

Private Healthcare Australia's 2022-23 Pre-Budget Submission identifies key policy reforms to improve affordability, access to private health insurance, and relieve pressure and demand on the public health sector at a time when it's needed most.

PHA CEO Dr Rachel David said the COVID-19 pandemic had demonstrated the value of Australia's flexible, varied health system which provides strong protection for the community in times of crisis.

"Private health insurance is a vital component of Australia's Medicare ecosystem. Throughout the pandemic, private health care has provided surge capacity for hospitals, ensured many Australians receive much-needed surgery and provided information and support for families.

"Unfortunately, the uncertainty surrounding COVID-19 has led to record public hospital waiting lists for surgery, and reform to keep our world class health system affordable is now more urgent than ever."

Dr David said the PHA's proposed reforms would address the most important issue facing private health insurance from a consumer perspective – cost.

"Research repeatedly shows that affordability is top of mind among consumers. Cost of living pressures are significant for many Australians and have been exacerbated by the pandemic.

"Health funds are committed to easing cost of living pressures on families and have delivered the lowest premium increase (2.7%) in 21 years – with some funds freezing premiums for a further period due to the impacts of COVID-19.

"While the cost of private health care is growing at a much lower rate than the public sector - Commonwealth funded programs such as public hospital contributions (up 6.5%), the Medicare Benefits Schedule (up 11.3%) and the Pharmaceutical Benefits Schedule (up 9.5%) – there are several threats to private health insurance that must be addressed to ensure the long-run sustainability of Australia's mixed health care system."

The 2022-23 Federal Budget should address cost of living pressures and improve health care by implementing the following measures:

- Reduce the cost of medical devices, which remain well above international benchmarks. There is no reason Australian consumers should be paying 30% more than consumers in New Zealand and the UK for generic medical devices;
- As part of medical device pricing reform, introduce transparent, robust and effective national procurement processes to ensure affordable access to essential items like rapid antigen tests and personal protective equipment (PPE);
- Restore the Private Health Insurance Rebate to 30% for low- and middle-income earners to provide immediate cost relief for consumers (it is currently less than 25%);
- Improve continuity of care and out of hospital options by removing unnecessary red tape;
- Provide immediate cost relief for younger Australians with private health insurance through Fringe Benefits Tax changes, and;
- Review the model for consumer input to policy-making in private health to better ensure consistency and alignment with community values.



**Private Healthcare Australia**  
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Private health insurance is now sought after more than ever - a record 14 million Australians now have some form of health cover. More people with private health insurance means fewer need to rely on the public system, relieving pressure on Australia's public hospitals.

PHA's 2022-23 Pre-Budget Submission is available [here](#).

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*Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 23 Australian health funds with a combined membership of over 13 million Australians, or 97% of the sector on membership.*

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