

Media Release

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

Young people flocking to health insurance despite cost-of-living crisis

Hundreds of thousands of Australians have taken out health insurance for hospital treatment over the past year, demonstrating strong demand for private healthcare despite the cost-of-living crisis.

Data published by the Australian Prudential Regulation Authority today shows a record number of Australians are investing in health insurance, including hospital cover and general treatment cover for dental and other allied health services. A total of 15 million Australians now have some form of health insurance – 55% of the population.

CEO of Private Healthcare Australia Dr Rachel David said more than 1.1 million people have taken out hospital cover since the pandemic began, bringing Australia to a record high of 12.3 million people with hospital cover - 45% of the population. Young people aged under 30 turbocharged growth in the past year.

“More than 300,000 Australians have taken out hospital cover in the year to September 30. Normally this growth is primarily driven by older people with more health needs. But this year, we’ve seen a 5% jump in people aged in their 20s taking out hospital cover. This suggests young people are prioritising their health despite the cost-of-living crisis,” she said.

“Overall, this data is great news for our mixed public private health system. We know an increasing number of Australians value rapid access to private hospital treatment with a doctor of their choice if they need it, as well as subsidised dental, optical and other health services such as physiotherapy. This takes pressure off our public hospital system, so it’s there for people who need it most.”

Dr David said younger people tend to use their health insurance for dental care, mental health treatment, drug and alcohol treatment, and maternity care.

“Our data shows young people get a lot of value out of having health insurance, particularly for mental health treatment. We’ve seen a dramatic increase in the number of young people accessing mental health treatment since the pandemic began.”

The APRA data shows health funds paid 7.5% more to hospitals for medical treatment in the year to September 2024, suggesting the private hospital sector’s recovery continues after a period of lower activity.

In a [separate report](#) tabled in the Australian Senate on Thursday, the Australian Competition and Consumer Commission said health funds are on track to return a total of \$4.73 billion to consumers as part of their promise not to profit from the pandemic. This figure exceeds the \$4.55 billion health funds saved from reduced claims during the pandemic.

“Australian health funds continue to put their members first. They’ve now returned all savings from the pandemic to their members via cash backs and deferred premiums among other measures, exceeding the ACCC’s expectations,” Dr David said.

Private Healthcare Australia is the peak representative body for Australia’s private health insurance industry. PHA represents 22 Australian health funds with a combined membership of over 14.76 million Australians, or over 98% of the sector on membership.

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