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Younger Australians drive ‘people over profit’ private health growth

Newly released data on the health of the private health sector confirms that younger Australians are driving growth in ‘people over profit’ health funds.

The latest Australian Prudential Regulation Authority (APRA) quarterly statistics show Member Health funds are bucking the downward private sector trend with 9,011 new policyholders aged under 40 years compared with a 58,445 decrease for the rest of the industry.

“In this challenging time for the private health sector, it is pleasing to see consistent growth of not-for-profit and member owned funds driven by younger, healthier people,” said Matthew Koce, CEO of Members Health Fund Alliance.

The APRA statistics for December 2019 to March 2020, also showed an 8,238 increase in under 25s joining Members Health funds whilst the rest of the private sector recorded a 23,990 decrease.

Alex and Ellie are a 30-something married couple who believe the cost of private cover is an essential investment in a healthy life.

“Like with home or car insurance, where you don’t need it until you do, private health coverage is something you won’t regret when you need it. Insurance is a *safety net*. And a safety net around your health is just about the most important thing you can have. That’s why we have private health insurance now, and why we won’t ever get rid of it,” said Ellie and Alex, who [blog](#) about their dream of financial independence and early retirement.

“Outside of pending pandemics, we’re big on living a healthy life. We spend about \$3,000 a year on our private health premiums and it pays to shop around. It’s not cheap to visit a dentist or a specialist. If you’re really money-minded, you can think of it as *investing in yourself*. When it comes to your health and well-being, we believe that quality of life is more important than the size of your bank balance.”

Mr Koce attributes the consistent four-year growth of Members Health funds to younger Australians like Alex and Ellie being attracted to better value and the ‘people over profits’ ethos.

“Members Health funds don’t have to satisfy shareholders or overseas investors. That means any profits generated above what the fund needs to operate, goes back to the members through lower premiums and better health benefits,” said Mr Koce.

Mr Koce urged the Government to review the age limit of children and dependents on parents’ health insurance policies to further incentivise younger people to remain covered.

“Increasing the age limit for children and dependents on parents’ policies to age 30 would help even more younger people remain covered throughout their lives,” Mr Koce said.

Putting members’ health before profit

“Raising the age limit on parents’ policies is a legislative change, and does not cost the taxpayer anything. It would take even more pressure off the public health system, and save younger people thousands of dollars a year, especially during a stage in life when cost of living pressure start to bite.”

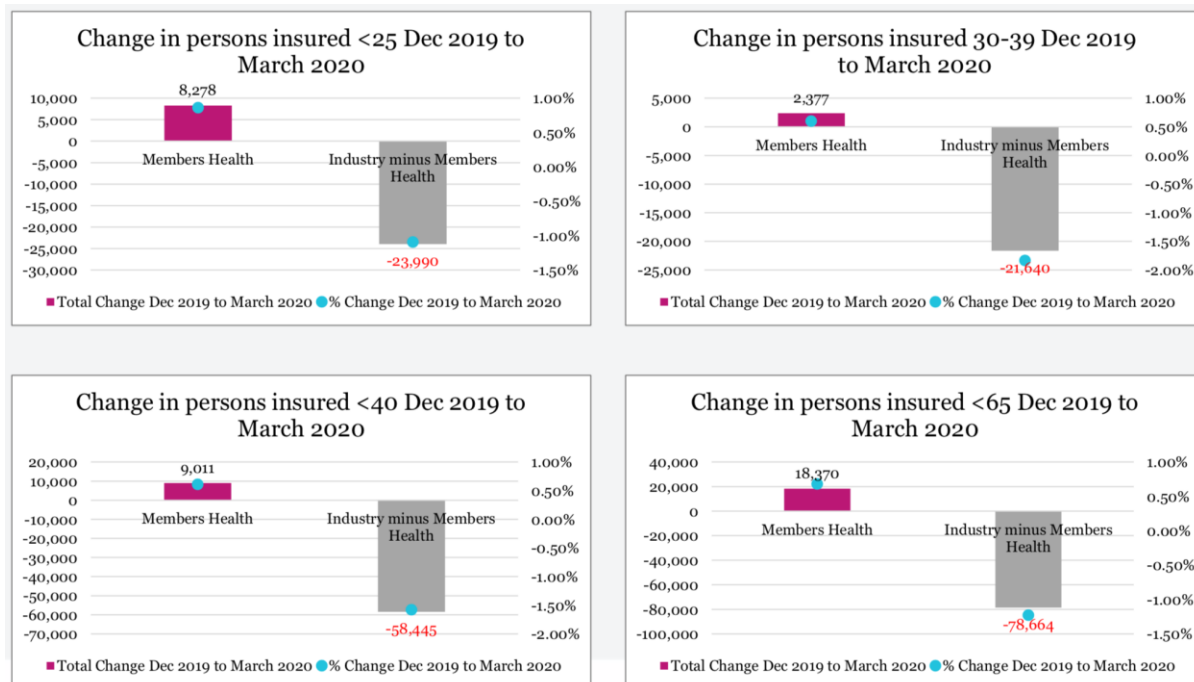
APRA data shows people aged 25 to 40 years’ old are increasingly requiring elective surgery across all Australian hospitals. From 2013-14 to 2017-18, the number of younger people checking in for elective surgery rose 10 per cent, or by more than 30,000 admissions.

Members Health is the peak industry body for an alliance of 27 health funds that are not-for-profit or part of a member-owned group, regional or community based. They all share the common ethic of putting their members’ health before profit. Our funds represent the interests of more than 3 million Australians.

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Source: APRA <https://www.apra.gov.au/quarterly-private-health-insurance-statistics>

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