

Below CPI private health insurance premium increase announced for 2024

Australians facing ongoing cost of living pressures can breathe a sigh of relief as health insurance premiums rise by less than CPI, at just 3.03% for 2024.

Members Health Fund Alliance, the peak body representing 24 Australian not-for-profit and member-owned health insurers has welcomed Minister for Health and Aged Care, Mark Butler's announcement today, which keeps private healthcare accessible at a time when many Australians are doing it tough.

This year, more Australians than ever have opted for private health insurance coverage. Approximately 55% of the population or over 14.7 million individuals, are choosing to take control of their health and access affordable, high-quality care faster by skipping lengthy public hospital queues and enjoying more treatment choices.

Private health insurance participation is expected to continue growing this year, empowering Australians to have greater control and peace of mind regarding their health and showcasing the public's appreciation for Australia's world-leading mixed private-public health system.

Member Health CEO, Matthew Koce welcomed the Minister's announcement and the sustained trend of historically low increases.

"Against the backdrop of rising cost-of-living pressures, this is a win for Aussies with private health insurance" Mr Koce said.

"It is particularly pleasing to see that as a group, the alliance of Members Health funds beat the 2024 industry average, coming in at a lower 2.82 per cent" Mr Koce said.

"The overall adjustment is well below the present 4.2 per cent CPI rate, which is necessary to ensure continued access to high quality care. Private health insurance also remains well below other insurance products, which rose by an average of almost 17 per cent in 2023." Mr Koce said.

"Healthcare is not immune from inflation. It is remarkable that health insurers have been able to deliver an annual increase below CPI, while paying out over \$23.5 billion in hospital and general claims over 12 months to December 2023" Mr Koce added.

"Private health insurance offers control over healthcare. It delivers access to high performing private hospitals, shorter waiting times, and more treatment options. Ultimately, it ensures prompt access to healthcare for consumers, while helping free up overstretched public hospitals to concentrate on those in most need".

To maintain this trajectory of low premium increases and further strengthen Australia's world-class healthcare system, Mr. Koce urged Minister Butler and the Australian

Government to continue its work on prostheses reform. This ongoing initiative has already contributed significantly to this year's low premium increases, with Members Health funds committed to passing on 100% of savings to their members.

"Overpriced prostheses impacts health insurance premiums" Mr Koce explained. "Members Health remains committed to partnering with the Government to address unfair practices and maintain downward pressure on premiums for consumers.

Members Health is the peak industry body for an alliance of 24 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 5.3 million Australians.

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