

**MEDIA RELEASE:**

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**HEALTH FUNDS DELIVER VALUE, BUT REBATE REDUCTION THREATENS AFFORDABILITY**

Members Health has welcomed today's publication of the quarterly private health insurance data by the Australian Prudential Regulation Authority (APRA).

The data, released today, shows continued growth in the number of Australians with private health cover.

Members Health Fund CEO, Matthew Koce welcomed the ongoing positive trend in private health insurance membership growth.

“Faced with the likelihood of very long waits in the public system, it is not surprising that so many Australians are continuing to turn to private health insurance for assurance around fast access to high quality care with their doctor of choice.”

“An additional 59,279 Australians have taken out private health insurance since 30 September 2024.”

“Health insurance participation is continuing to reach new highs, with over 15 million Australians being members of a health insurance fund.” For Australia's mixed public and private health system that can only be seen as a good thing. Each person taking up a bed in a private hospital helps reduce pressure on the overstretched public health system, freeing up resources for those most in need.” Mr Koce said.

The number of people taking out hospital and extras cover have increased markedly, with the number of hospital treatment episodes increasing 4.3 per cent and extras services for things like dental, optical and physio, growing by 4.1 per cent over the last 12 months.

“Ongoing growth in private health insurance numbers is a further demonstration of the value Australians place on health insurance.” Mr Koce said.

“Over the last 12 months to December 2024, health insurers have paid out a staggering \$25.28 billion to help cover the healthcare needs of their members.”

“The December 2024 quarter benefits paid to private hospitals significantly outpaced growth in episodes. Benefits for hospital treatment grew by 8.1 per cent over the 12 months to December 2024, up 7.4 per cent compared to the previous year, with hospital treatment episodes up 4.3 per cent year on year.

“The APRA data shows health insurance funds are continuing to do their part to help maintain hospital viability and ensure the highest standards of care while keeping premium increases as low as possible.” Mr Koce said.

“A growth in claims and episodes is delivering enormous value for consumers but at the same time it places upward pressure on premiums. The community of Members Health funds have worked hard to successfully keep their premium increases below the industry average of 3.73 percent.”

“Of particular concern to consumers will be that for the first time in many years, the Australian Government rebate on private health insurance will be further reduced from 1 April 2025.”

“From 1 April 2025 the base tier of the private health insurance rebate will be slashed to just 24.288% for those under 65, a far cry from its original 30%.”

“During a time of unprecedented cost-of-living pressures, it is unfair to cut the rebate and place increased financial burden on consumers. It is well past time for all sides of politics to come together and agree to put a floor under the private health insurance rebate and to start the process of restoring it back to its original and full 30%.”

“Private health insurance helps underpin sustainability of the entire health system. Each bed used in a private hospital helps free up resources public hospitals where waits can extend into the years. Furthermore, the private health insurance rebate is means tested so goes only to those that need it.

“In the lead up to federal election, Members Health is calling on the Government and Opposition parties to put forward health policies that will help more Australians afford health cover, not reduce support, especially during a cost-of-living crisis.”  
Matthew Koce said.

*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.*

**Media Contact**

[brenton.baldwin@membershealth.com.au](mailto:brenton.baldwin@membershealth.com.au)

0409 517 176