

**MEDIA RELEASE:**

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## Below CPI premium increase for Members Health funds in 2026

Members Health Fund Alliance, the national peak body representing more than 20 Australian not-for-profit and member-owned health insurers has acknowledged the Federal Government's announcement late yesterday of an average private health insurance premium increase of 4.41% effective from 1 April 2026.

In making this announcement, Minister for Health Mark Butler noted that rising medical and hospital costs which increased by 5% over the last financial year have been a key contributing factor to this year's premium outcome, alongside growing pressure on private hospitals and related workforce costs.

Across Members Health funds, the average premium change for 2026 is 3.62% which is below the [current CPI rate](#), and well below the Big 3 for-profit insurers' average increase of 5.12%. Combined with the fact that [Members Health funds operate on a net margin of just 2.6%](#) compared with an average margin of around 7% for the Big 3 for-profit funds, this underscores the mutual sector's strong alignment with members and its disciplined approach to cost control, sustainability and value.

Members Health funds are able to keep their costs as low as possible by operating solely for their members benefit, not to make profit for shareholders or overseas investors. This ensures every dollar paid goes toward better care and value for consumers.

As the Minister noted in [his announcement](#), insurers paid out more than \$26.7 billion in benefits to Australian health consumers in the year to September 2025, including \$20 billion in hospital treatment and \$6.7 billion in general treatment, with hospital accommodation costs recording their highest growth since 2008.

Members Health CEO, Matthew Koce, acknowledged the Minister's announcement and the burden of increased costs on Australian households while reaffirming the commitment of Members Health funds to continue to put people before profit.

"Members Health funds remain firmly committed to keeping premiums as affordable as possible for the more than 5.4 million Australians who are members of a not-for-profit or member owned Members Health fund." Mr Koce said.

"With interest rates rising again recently and cost-of-living pressures still prevalent, Members Health funds have worked tirelessly to keep their premiums as low as possible. As mutuals, Members Health funds' only priority is the wellbeing of their members, not delivering profits to shareholders or overseas investors."

### Putting members' health before profit



“Members Health funds operate efficiently and responsibly to deliver the best possible value for their members, even in an environment where system-wide costs continue to rise.”

Mr Koce also highlighted the pressures placed on insurers and hospitals alike:

“As the Minister has acknowledged, Members Health funds have paid out billions in benefits over the past year while supporting private hospitals facing higher operating costs, rising wages and workforce challenges.”

“Members Health funds remain committed to affordability and fairness for their policyholders. Being with a Members Health fund gives individuals and families greater control over their healthcare by providing faster access to Australia’s best private hospitals, reduced waiting times, and more choice of specialists and treatments.” Mr Koce explained.

Mr Koce encouraged continued government efforts to address unnecessary cost pressures in the system.

“To keep premiums sustainable, we urge the Government to continue progressing reforms that improve transparency and efficiency within the private health system. Members Health funds will always pass savings directly back to members.”

Australians considering taking up or changing private health insurers should consider joining a Members Health fund that is committed to putting people first before profit while providing the best possible value and care.

A full list of Members Health funds can be found at: [www.membershealth.com.au/our-funds](http://www.membershealth.com.au/our-funds)

*Members Health is the peak industry body for an alliance of more than 20 health funds that are not-for-profit or part of a member-owned group, regional or community based. They all share the common ethos of putting their members’ health before profit. Our funds represent the interests of more than 5.4 million Australians.*

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