

**MEDIA RELEASE:**

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**Private health participation is resilient - but slashing the Government rebate will damage participation among battling older Australians**

Members Health Fund Alliance has welcomed the latest quarterly private health insurance statistics released by the Australian Prudential Regulation Authority (APRA). The data shows the private health insurance sector continuing to deliver billions of dollars in benefits to Australians, highlighting strong demand for private healthcare.

Members Health, the national peak body for Australia's not-for-profit and member-owned health funds is warning that proposed Government cutbacks to the private health insurance rebate for Australians aged 65 and will put Australia's mixed public and private health system at risk.

The latest APRA data shows private care remains at historically elevated levels, reflecting continued strong demand for hospital and health services. Health insurers paid over \$6.9 billion in claims to members during the March quarter, including more than \$5 billion in hospital treatment benefits and over \$1.8 billion in general treatment (extras) services such as dental, optical and allied health.

Benefits paid to members continue to grow year-on-year, with total claims up from approximately \$6.44 billion in the March 2025 quarter, highlighting the ongoing pressure on the health system and the important role of private health insurance in meeting that demand.

Members Health CEO Matthew Koce said these strong results highlight the important role private health continues to play in supporting Australians' access to timely high-quality care and relieving pressure on the public health system.

"Private health insurance is supporting millions of Australians to access care when they need it, taking pressure off the public system." Mr Koce said.

"While these figures demonstrate a resilient and high-performing system, Members Health warns that the Government's proposal to slash the private health insurance rebate for older Australians will damage future participation."

"Around 70% of all procedures take place in private hospitals. The Government's proposed changes to the rebate for older Australians will disrupt participation, with the cost burden falling hardest on older Australians with low incomes."

"Independent actuarial analysis shows that around 3 million Australians aged 65 and over will be affected by proposed government cuts, with an average effective premium increase of around 9%, rising to as much as 12% for some members."

“For many older Australians, particularly those with Gold hospital cover, this equates to approximately \$400 per year in additional costs, with some households facing total future premium increases exceeding \$1,000 annually, and up to \$1,600 in some cases.”

“The impact is not evenly distributed. Around 70% of insured Australians aged 65 and over facing higher out-of-pocket costs live on incomes of \$55,000 or less, and more than 80% fall within the base income tier.”

“These are not wealthy people and it is inequitable to place such a burden on lower and middle-income retirees who can least absorb the additional costs.”

“Older Australians are already telling their health funds they are worried about affordability. When premiums rise, people on low incomes don’t just absorb the cost - they drop their cover altogether” Mr Koce said.

“If fewer older Australians can afford to stay insured, more of that demand will fall back onto the already overstretched public hospital system, increasing waiting times and pressure for care. In some cases we hear average public waits exceed 500 days for key procedures.”

“This is a policy that risks undermining participation in private healthcare by older Australians at exactly the point they need care the most,” Mr Koce said.

Members Health reiterated its call for the Government to show some compassion and reconsider the proposed changes.

“We understand the need for Budget repair, but it should not come at the expense of health care. This hits struggling older Australians where it hurts” Mr Koce explained.

“The Government’s own modelling shows reducing the rebate for seniors is a false economy - reducing Commonwealth spending while increasing costs and pressure elsewhere in the health system, especially for State Governments.”

*Members Health is the nation peak 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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