Members Health
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Older Australians will lose choice and access under rebate cuts

Older Australians will be forced to pay more, reduce their health cover or leave private health insurance altogether if proposed cuts to the Private Health Insurance Rebate proceed, Members Health Fund Alliance has warned.

Appearing before the Senate Community Affairs Legislation Committee today, Members Health urged the Committee to recommend that the Bill not proceed.

Members Health CEO Matthew Koce appeared alongside Doctors Health Fund CEO Dario Molina, Westfund CEO Mark Genovese, and Latrobe Regional Health Fund and Maryvale Private Hospital CEO Ian Whitehead.

Mr Koce said the proposal would hit pensioners and retirees on modest incomes at the stage of life when their healthcare needs are increasing.

“This is about reducing people’s choices and independence. It is about what older Australians can and cannot afford.

“Many have maintained private health insurance for decades and planned their retirement on the basis that this support would remain available.

“They are now being asked to pay hundreds of dollars more each year when they need healthcare most and cost of living is high.”

Around three million privately insured Australians aged 65 and over would be affected by the proposed changes, with around 70 per cent living on incomes of $55,000 or less.

Members Health has received more than 4,200 responses from Australians concerned about the proposal through its campaign webpage. Analysis found that 87 per cent referred to financial strain and 45 per cent indicated they would consider downgrading or cancelling their cover.

During the hearing, Members Health highlighted some of the feedback received from concerned Australians, reinforcing concerns about older Australians’ ability to maintain meaningful health cover.

‘The thousands of Australians who have contacted us are raising genuine concerns about their health, their finances and their future. They deserve to be heard.” Mr Koce said.

The rebate has already been gradually reduced each year. Originally it was 30% for under 65s, 35% for 65-69 year olds and 40% for those aged 70 and over. Now the Government wants everyone on a low 24% rebate. This will push many seniors off

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the health insurance cliff and will further accelerate downgrading away from comprehensive private hospital cover they often need.

Members Health warned that the consequences would extend beyond those directly affected.

"Healthcare demand does not disappear when private cover becomes unaffordable. It shifts to public hospitals, longer public waiting lists and damages private hospital viability.

"We are also hearing from children who are terrified about the impact this could have on their parents. It is no surprise that a common theme at the Senate Hearings in Queensland was, what would Anthony Albanese's mother have thought about this cut in support for seniors.

"We are also worried that some consumers may hold cover but cut back on life's necessities such as heating, air conditioning, food and social interaction that could push them into aged care.

Members Health called on the Senate Committee to recommend that the Bill not proceed.

"We urge the Committee and the Senate to protect older Australians' access to affordable healthcare and reject these changes."

For more information visit:
https://membershealth.com.au/rebate/

Click here to download a copy of the Members Health's submission.

Members Health is the national 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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