MEDIA RELEASE 25 NOVEMBER 2026

WIN FOR OLDER AUSTRALIANS: GOVERNMENT LISTENS WITH PENSIONER EXEMPTION FROM REBATE CHANGES

Members Health Fund Alliance has welcomed the Federal Government's decision to exempt aged pensioners from its proposed changes to the Private Health Insurance Rebate, calling it a win for older Australians that will go some way to addressing the concerns raised by policyholders in its recent Ipsos research. The peak body for not-for-profit and member-owned health funds said that while it would have preferred the changes be scrapped altogether, the exemption is a positive and important step.

Under an amendment agreed between the Government and the Greens, all aged pensioners will be carved out of the changes. This covers people eligible for a full or part-rate pension payment in at least one fortnightly payment period in a given financial year, including those receiving a service pension or veteran payment.

The amendment is yet to be debated in Parliament. Members Health encourages parliamentarians to consider older Australians who are not covered by the carve-out but remain on low incomes.

Members Health CEO Matthew Koce welcomed the decision as a positive and important step for pensioners.

"Members Health welcomes the decision to exempt aged pensioners from the proposed changes to the Private Health Insurance Rebate. This is a positive and important step that recognises the cost pressures facing older Australians and helps protect pensioners who value and rely on their private health insurance," Mr Koce said.

Ipsos research commissioned by Members Health and released earlier this month surveyed more than 2,000 private health policyholders. Among those aged 65 and over, 12.1% said they would cancel their cover if the rebate reduction proceeded, compared with the Government's estimate of around 1.6%. A further 12.2% would downgrade, 8.9% would increase their excess or reduce their benefits, and 11.3% would switch insurers. Almost half would make changes to their cover, and 81.1% opposed the reduction.

Many older Australians outside the carve-out, including self-funded retirees and those just above the pension eligibility threshold, remain on low incomes. Members Health encourages the Government and Parliament to consider their circumstances.

"We remain concerned about older Australians who fall outside the pension exemption and will still face a reduction in their rebate. Members Health will continue to advocate for affordable private health insurance and policies that encourage, rather than discourage, Australians to maintain their cover as they age," Mr Koce said.

"Making health insurance less affordable risks encouraging people to downgrade or abandon their cover. If that occurs, the consequences will extend beyond the private system, with additional patients turning to public hospitals for treatment and adding further pressure to already significant public waiting lists.

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Keeping Australians privately insured as they age is good for consumers, good for the sustainability of private health insurance, and helps take pressure off the public health system," Mr Koce said.

The Alliance has also offered to work with Government to make sure the changes are implemented as simply and effectively as possible.
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Members Health is the peak industry body for an alliance of 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. Take two minutes out of your day and visit membershealth.com.au today to check if your health fund is not-for-profit or member-owned and consider choosing a fund that puts people first genuinely matters.

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