

PRIVATE HEALTH MAJOR CONCERN FOR SENIORS

2 May 2024

Private health insurance is the second biggest concern for older Australians, behind cost of living, according to a survey of 6,500 people by National Seniors Australia (NSA).

In separate soon-to-be-released research, it has also been revealed while most people want and need private health insurance, the rising cost of premiums and out-of-pocket costs for private health significantly undermine its value proposition.

They're sobering revelations which make private health a potential election issue and prompted NSA in its [Pre-Budget Submission 2024](#) to call for a full review of the private health system to ensure Australians get value for money.

"There is a growing discourse about the unaffordability of private health which government must address to help tackle rising living costs. As such, National Seniors Australia has recommended the Productivity Commission conduct an in-depth independent inquiry into the private health system," said NSA Chief Executive Officer Mr Chris Grice.

"Despite several reviews, nothing has changed. Private health insurance holders continue to face premium increases, product limitations, and soaring out-of-pocket costs.

"Our research shows older people who are single, rely on the Age Pension or have limited savings are less likely to hold health insurance. It also found while older people overwhelmingly support private health insurance, many are bitter about it. The risk for government is older people drop their insurance, placing pressure on the public system.

"Debates between insurers and doctors about who is responsible for soaring premiums and gap costs mean it's time for an independent review of private health to finally get to the bottom of this. The inquiry should identify ways to improve its value proposition to policy holders in general and older policy holders in particular."

As part of its [Pre-Budget Submission 2024](#), NSA is also calling for an increase in the Private Health Insurance Rebate for people on lower incomes to help them maintain cover.

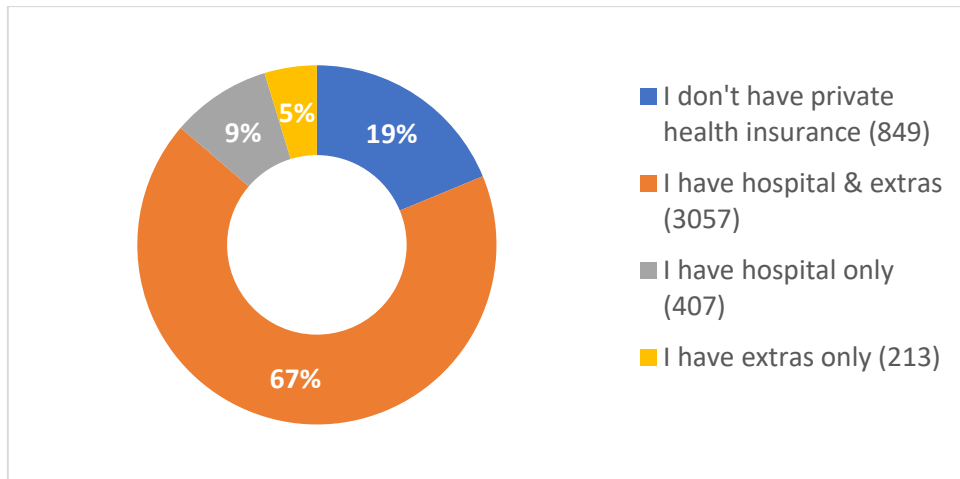
76-year-old Mrs Diane Bunworth has been in private health since she was 16. After 60 years, she is considering letting it go as cost-of-living pressures continue to build and compete.

"Our current monthly premium is \$462, that's a big dent in our Age Pension when we have so many other expenses to fund," Diane said.

"If we drop a tier and pay a lower premium, we risk losing cover for procedures often needed for people at our stage of life such as joint replacements, renal and cataracts treatment, as well as our choice of doctor and specialists.

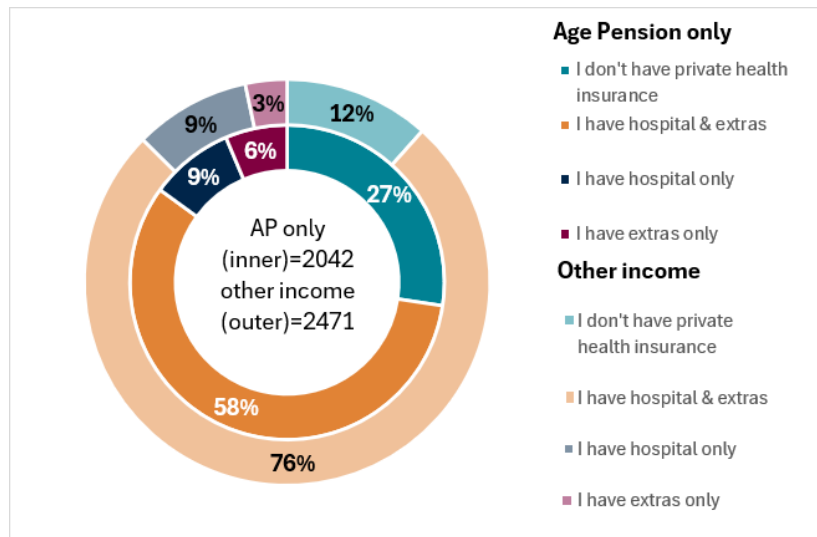
“Letting go of private health and losing the security it provides isn’t a decision we would take lightly but it is a decision we reluctantly may be forced to make.”

Mr Grice said experiences like Diane’s, and others forced into the public health system, reinforce the need for NSA’s recommendations while highlighting the fragility of the health system and the sustainability of private health moving forward.



PHI status, single versus partnered

19% of Australians aged 50+ surveyed do not have private health insurance



PHI status, people with Age Pension as only income vs. people with other income sources

27% of people reliant on the Age Pension surveyed do not have private health insurance compared to only 12% of older people with income sources other than the Age Pension.

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