



Media release
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1.2 million pensioners affected shows private health rebate changes need urgent rethink

Revelations that 1.2 million pensioners will be directly affected by proposed changes to the private health insurance rebate are further evidence the changes need to be urgently reviewed, COTA Australia says.

COTA Australia Chief Executive Officer Patricia Sparrow said the scale of the impact reinforced concerns already being raised by older Australians about the affordability of private health insurance.

"1.2 million pensioners is an enormous number of people to be affected by a change that could make their private health insurance more expensive," Ms Sparrow said.

"We know many older Australians are already questioning whether they can continue to afford private health insurance. Making it more expensive risks pushing more people to downgrade their cover or leave the system altogether.

"COTA Australia's research found 82 per cent of Australians opposed removing the higher rebate for people aged over 65, while more than one in three said they would consider downgrading or cancelling their cover if the changes went ahead.

"Those findings should already have prompted serious consideration of the impact of these changes. Knowing 1.2 million pensioners will be directly affected makes the need for a rethink even stronger.

In its submission to the Government, COTA Australia warned removing the higher rebate is likely to increase out-of-pocket costs for many older Australians, undermining the affordability of private health insurance for people who often rely on it most.

"We've got to remember that around one in four older Australians are living in poverty. Older Australians are not a uniformly wealthy group with endless capacity to absorb higher costs," Ms Sparrow said.

"Older Australians have spent decades paying into the private health insurance system, often making relatively few claims, and now risk being priced out just when they are more likely to need healthcare.

"Any review of private health insurance rebates should recognise that long-term contribution, while also considering the consequences for the broader health system if affordability pressures drive significant numbers of older Australians out of private health insurance.

"If these changes lead to people dropping or downgrading their cover, the consequences won't just be felt by those individuals. There is a real risk of adding further pressure to an already stretched public hospital system."

Ms Sparrow said debate about the rebate had also highlighted broader concerns about the affordability and value of private health insurance.

"The Government should use this debate as an opportunity to undertake a broader review of private health insurance and its role in Australia's healthcare system.

"This is an opportunity to look at whether private health insurance is delivering value for Australians, how it complements the public health system and how we ensure it remains accessible and affordable for the people who rely on it most.

"With 1.2 million fixed income pensioners now known to be directly affected, the Government should seriously reconsider these changes."

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