COTA
For older Australians

COTA Australia
PO Box 121
Flinders Lane VIC 8009

P: 1300 COTA AU (1300 2682 28)
E: cota@cota.org.au www.cota.org.au

ABN 35 118 911 541

Media release
25 November 2026

Pensioner protection welcome, but many older Australians will still be hit by private health insurance rebate changes: COTA Australia

Protecting full and part pensioners from changes to the private health insurance rebate is welcome, but many older Australians on modest, fixed incomes will still face significant increases in the cost of their health cover, COTA Australia says.

The announcement follows an agreement between the Federal Government and the Greens to exempt people receiving full or part pension payments from changes to the age-based private health insurance rebate.

COTA Australia Chief Executive Officer Patricia Sparrow said while the move to exempt pensioners is an important concession, it fails to recognise the financial pressures facing many self-funded retirees.

“Pensioners will be pleased to be able to retain the additional rebate that helps them to meet the costs of maintaining their private health insurance policies, but self-funded retirees will now lose the rebate and face affordability challenges to hold on to their long held insurance policies,” Ms Sparrow said.

“Being a self-funded retiree doesn’t mean you’re wealthy. Many older Australians who sit just outside pension eligibility live on modest, fixed incomes and are already struggling with rising living costs.

“The private health insurance rebate is already means tested which means support is targeted according to income.

“Many older Australians will now face being priced out of their cover at a stage in their lives when they are likely to need it most.

Ms Sparrow said thousands of older Australians have signed COTA Australia’s petition calling for the rebate changes to be dropped and contacted their elected representatives because they simply cannot afford to pay more for their health cover.

“The changes will still leave many older Australians paying more for their private health insurance from 1 April 2027, which could have real consequences for their health and wellbeing as well as country’s already stretched public hospital system.”

Ms Sparrow said broader Federal Government action being taken to ensure private health insurance is delivery value for Australians is important and welcome.

“It’s great that the Federal Government has acknowledged that more needs to be done to improve the value for money people are getting from their private health insurance broadly,” Ms Sparrow.

“We support the Government’s efforts to improve the cost and value of private health insurance, but removing financial support from older Australians before those broader reforms are delivered risks making an already difficult situation worse.”

Media contact: Tamara Kotoyan, 0430 291 890 or Alana Mew, 0419 929 722