

MEDIA RELEASE

Wednesday, 12 February 2025

Private health insurance report card shows reform is long overdue

The Australian Medical Association is urging consumers to check their private health insurance policy and compare it with other products to determine whether they are getting value for money ahead of an inevitable, but yet unknown, premium increase on 1 April.

The AMA's [Private Health Insurance Report Card 2024](#), released today, sheds light on major issues in the private health sector, including the overall complexity of choosing the right health fund and level of cover.

AMA President Dr Danielle McMullen says choosing private health insurance is a confusing experience, with the report card showing rebates for identical procedures vary greatly between insurers.

"Consumers should look at the upfront premium cost of the policy, but they should also closely look at the rebates for any procedures they are likely to need," Dr McMullen said.

"For example, we found a \$510 difference between the highest and lowest rebates for the uncomplicated delivery of a baby.

"Private health insurance premiums will inevitably rise on 1 April by an as-yet undetermined amount. It is an important time for consumers to look at their options."

The report card also confirms that over the past five years, net insurance profits (including net private health insurance investment income) have risen much more sharply than benefits paid to patients.

"While net profits for insurers have increased by almost 50 per cent, the patient rebate for medical services has increased by just over 10 per cent," Dr McMullen said.

"There's no question private health insurers need to make a surplus to be sustainable, but it is clear they should be returning more in benefits to patients as a proportion of premiums.

"Our analysis shows 84 per cent of hospital insurance policy premiums were returned to patients in the form of rebates and other benefits for hospital treatment last financial year — a small improvement from the previous financial year, but still well below where it should be."

The AMA is calling on the federal government to mandate insurers to return at least 90 per cent of private health insurance premiums back to consumers in the form of benefits. It is also calling for an independent private health system authority to drive long-term reform, provide appropriate regulation and ensure patients get real value for money.

"Urgent reform is needed, as patients are finding it increasingly difficult to access care under their private health insurance policies," Dr McMullen said.

"In the past few years, 70 private hospitals have closed or downgraded their services in critical areas such as maternity, mental health and reconstructive surgery.

Contact: AMA Media: +61 427 209 753 media@ama.com.au



[@ama_media](#)



[@amapresident](#)



[@medicalassociation_au](#)



[AustralianMedicalAssociation](#)



[@medicalassociation_au](#)

“An independent body is needed now more than ever. In 2024, we saw insurers and hospitals getting into stoushes over funding — leading to major uncertainty for patients.”

[Read the AMA Private Health Insurance Report Card 2024](#)

Contact: AMA Media: +61 427 209 753 media@ama.com.au



[@ama_media](#)



[@amapresident](#)



[@medicalassociation_au](#)



[AustralianMedicalAssociation](#)



[@medicalassociation_au](#)