

# TRANSCRIPT

Friday, 5 December 2025

**Transcript: AMA President Dr Danielle McMullen, doorstep, Canberra**

**Subject: AMA Private Health Insurance Report Card 2025**

**DR DANIELLE McMULLEN:** Today, we launched our private health insurance report card. The balance of public and private care in Australia is what makes our healthcare system so unique and world leading. But we're seeing warning signals in our private health insurance market that make us worried that it's delivering less value to Australians.

We've seen private health insurance premiums rise above CPI rates, above wages rates, meaning that our private health insurance premiums are becoming less affordable for everyday Australians. We're seeing Australians drop their cover down to lower rates of health insurance cover, or in fact dropping their private health insurance altogether. This puts increased pressure on our public hospital system, which we all know is already at breaking point.

What we need to do to improve this situation is have our insurance companies make sure that they're paying back at least 90 per cent of the premiums collected back to patient care, and we also need a Private Health System Authority. That's where we could bring together insurance companies, hospitals, doctors, patients and the government to design a private health system that really works for the healthcare Australians need today, and makes sure that your private health insurance is delivering value and that high-quality care that it does today.

**Question:** How are you going to get private health companies to come on board with that suggestion?

**Dr McMullen:** The Health Minister has already said that he expects more of our private health insurance companies. He's been unhappy with their behaviour and doing what we call "phoenixing", which is where they take a high-quality product — often gold tier, top health insurance — remove that product from the market, and replace it with a higher cost one just to get out of the cost controls that the Minister tries to put in place.

The Minister has also said that he expects our private health insurance companies to be spending more of their revenue back on patient care. So, we echo those calls. The private health insurers — to their credit — have been participating in the private health CEO Forum, which is the first steps that this government has taken to bring together those players and talk about reforms. We just want that to be an ongoing process and continue the buy-in that we've had so far to deliver the reforms we really need.

**Question:** Do you think there needs to be more incentive for the private health insurers to keep their prices lower?

**Dr McMullen:** So, we do need the CEO Forum or the Private Health System Authority to come up with mechanisms to maintain the affordability of private insurance. Part of that, at the moment, is the annual premiums rounds that the Minister has control over, and making sure that all private insurers participate fairly in that. The other factor is that Medicare does underlie our private health system, and we need to make sure

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that Medicare is appropriately indexed and that we're modernising those Medicare rebates, so that the framework of our private system meets the needs of Australians now and into the future.

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Contact: AMA Media: +61 427 209 753 [media@ama.com.au](mailto:media@ama.com.au)



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