

Health cover rises flatten but still pose cost hurdle for many

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The lowest rise in health insurance premiums in nearly 20 years is welcome although many Australians in the current economic climate will struggle to meet the increased cost, the Consumers Health Forum said today.

“The 2.74 per cent average increase in premiums to take effect next April is particularly welcome when family and personal budgets are under even more strain and the need for care in areas including mental health continues to grow,” the CEO of the Consumers Health Forum, Leanne Wells, said.

“While the new rise is low compared to previous years, it is still well above the inflation rate of 0.7 per cent for the year to September. There are unlikely to be many people able to absorb a premium increase without further squeezing their budgets.

“Consumers should be aware that funds with the greatest share of the market have 2021 premium increases above this average. What matters to consumers is not only premium price, but policy inclusions and benefits paid. Once again, the message is shop around”.

“The challenges facing health insurance are not going away as recent figures from APRA show. Overall fund memberships continue their long term decline particularly among younger, healthier members while older Australians with private cover continue to rise.

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Consumers shaping health



“This is a concerning issue for Australia’s health system given the increasing number of people dependent on public hospitals where waiting lists continue to grow.

“CHF has supported the Federal Government’s reforms to improve access to services announced in the Budget to extend health insurance cover to home and community-based care for mental health and general rehabilitation services.

“Also provided for under insurance changes will be Increased flexibility for families and people with disabilities. The age of dependents on family policies eligible for cover will rise to 31, and for people with a disability the age limited has been removed.

“We have urged that these services must be clinically appropriate and be a choice of patients and doctors to make without pressure from health funds,” Ms Wells said.

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