



22 April 2026

Shock decision to sweep private health insurance from under seniors' feet

National Seniors Australia (NSA) is shocked by the Federal Government's announcement to cut the Private Health Insurance (PHI) rebate for older Australians 65+ to fund changes to aged care reforms.

While NSA acknowledges this change is intended to pay for significant investment in aged care, it should not come at the expense of older Australians struggling to maintain access to private health.

These investments, which NSA support, include:

- the removal of co-contributions for showering, continence management, and dressing through the Support at Home Program;
- the delivery of 20 additional Specialist Dementia Care units;
- the expansion of the Hospital to Aged Care Dementia Support Program; and
- the construction of an estimated additional 5,000 beds a year.

NSA CEO Chris Grice said that around 2.5 million Australians aged 65 and older will be shocked by the decision to cut the higher PHI rebate. The impact of this will be significant and could push older people with limited income and savings out of the private health system.

"Some of these people will undoubtedly be pensioners who are struggling to maintain their cover from successive price hikes," Mr Grice said.

"For example, a gold-level hospital policy (couple) costing \$9,000 before 1 April would have likely increased by around \$900 on 1 April. This will increase by another \$800 per year as result of rebate reduction.

"Many of these older people would have paid private health for decades. Now, at a time in their life when they really need that insurance – when affordability is paramount – it has been swept from under their feet.

"It is a classic case of 'robbing Peter to pay Paul'.

"Recent NSA research shows that private health insurance is one of the top cost of living concerns for seniors. Separate research by NSA found that older Australians value the peace of mind and control over healthcare PHI provides. Many wish to maintain it, even at great cost to themselves. Could this be the straw that breaks the camel's back?

"The risk for government is that older people drop their private health insurance cover, and place even greater pressure on the public system.

Media enquiries Media & Corporate Communications Manager Anna Townend 0488 047 380



“State and territory governments are already concerned about the capacity of the public hospital system. While the investment in aged care could reduce the issue of older stranded patients, the influx of older people dropping their private health could ramp up demand.

“NSA has been calling for reforms to private health for many years on the back of growing concern among older people about the affordability of private health insurance and out-of-pocket costs.

“We continue to call on the Federal Government to stop the finger pointing and convene a Productivity Commission review of the private health system to identify the causes of premium increases, rising specialists costs, and increased hospital charges to identify ways to reduce the cost of private health in Australia.”

Media enquiries Media & Corporate Communications Manager Anna Townend 0488 047 380