



## New data shows private health insurers making huge profits

### Catholic Health Australia

Catholic Health Australia (CHA) is calling for premium round reform as new data shows private health insurers are keeping more of their soaring profits for themselves.

Quarterly data released by APRA today reveals private health insurers have amassed a substantial profit of \$581 million in the December 2024 quarter. Despite these profits, the industry as a whole is returning just 83 cents of every premium dollar paid by Australians for hospital services.

“When the health minister announced a premium rise of 3.73 per cent this week, insurers cried poor and claimed that was the lowest they could go — but now the truth has come out,” said Dr Katharine Bassett, Director of Health Policy at CHA.

“Health insurers are making enormous profits and returning less to patients and hospitals. Inadequate funding from insurers is putting the private health system under severe strain.”

CHA is calling for the annual premium round process to be undertaken by an independent body such as the Independent Health and Aged Care Pricing Authority (IHACPA), to ensure premium increases accurately reflect the cost of delivering care. This would pave the way for a National Private Price for the private health sector. CHA is also calling for premium increases to be linked to how much insurers return to patients, to incentivise them to return more to patients.

In a 2018 senate submission, the Members Health Fund Alliance, which represents 26 health insurers, admitted that insurers should ‘return on average around 90 per cent of all premiums paid, back to policyholders, as benefits’.

**Notes to editors:** *Catholic Health Australia (CHA) is Australia’s largest non-government, not-for-profit group of health, community, and aged care providers. Our members operate 80 hospitals in each Australian state and the ACT, providing around 30 per cent of private hospital care and 5 per cent of public hospital care, in addition to extensive community and residential aged care. There are 63 private hospitals operated by CHA members, including St Vincent’s, Calvary, Mater, St John of God and Cabrini. CHA members also provide approximately 12 per cent of all aged care facilities across Australia, in addition to around 20 per cent of home care services. 25 per cent of our members’ service provision is regional, rural and remote.*

### Media contacts:

Charlie Moore: 0452 606 171