



Minister's call delivers funding boost for hospitals

Catholic Health Australia

Catholic Health Australia has welcomed a lift in the amount private health insurers are giving back to patients and hospitals following the Health Minister's call for insurers to raise their contributions.

"For several years health insurers have been banking substantial profits while returning less to patients and hospitals, threatening services and their viability," said CHA Director of Health Policy, Dr Katharine Bassett.

"Today's news that insurers have lifted the percentage of premium revenue being paid out in patient benefits is a positive step, and one CHA has consistently advocated for. We're pleased the Minister's intervention is delivering results.

"This improvement cannot be a one-off. More than 80 private hospital services have closed in the past five years, and therefore sustained support is essential to keep others from shutting their doors."

CHA thanks Minister Butler and the government for their constructive engagement on the vital issue of hospital services and their viability through the Private Hospital CEO Forum.

"We now look forward to engaging with the Minister, and the sector more broadly, on the long-term reforms needed to keep private hospitals sustainable and prevent more pressure being heaped on the public system," said Dr Bassett.

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 — a new approach to private hospital funding that replaces opaque, bilateral negotiations with a transparent, efficient, and sustainable pricing model.

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.

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