

# Media Release

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## People with health insurance are receiving ‘shock bills’ from ACT public hospitals

ACT residents with private health insurance are being hit with excessive out-of-pocket costs for opting to use their insurance in a public hospital.

Private Healthcare Australia’s (PHA) analysis of billing records for 1909 hospital admissions in 2022-23 reveals at least 30% of ‘private patients’ treated in ACT public hospitals received a bill for out-of-pocket charges ranging from \$50 to more than \$9000.

Most out-of-pocket bills were for medical services provided by doctors. When someone opts to use their health insurance in a public hospital, doctors can legally charge as a private specialist, so many do. Patients can also be charged for diagnostic services by doctors they have never seen, never met and did not choose.

PHA CEO Dr Rachel David said patients often receive the same services they would as a public patient without health insurance but find themselves hundreds or thousands of dollars out-of-pocket because they ticked a box to use their health insurance. Sometimes these patients are signing documents when they’re very ill, raising ethical concerns about their ability to consent.

“It’s very concerning that three in 10 private patients in public hospitals are paying out-of-pocket costs when they could have attended the hospital free of charge under Medicare – a system we all pay taxes for,” she said.

Dr David said the ACT Government’s plan to charge more than the Commonwealth rate for ‘private patients’ in public hospitals would likely increase this figure even more. In this year’s budget, the ACT Government increased the public hospital room rate for health insurers by 25% to \$920 per day.

“Our health system was built on the principles of universal, free access to healthcare for all, and this includes treatment in public hospitals. We all pay taxes for this,” she said.

“Everyone should be treated equally in a public hospital. Charging private patients out-of-pocket fees for the same services provided to public patients is unfair and should not be happening.

“In a cost-of-living crisis, with so many people doing it tough, it’s outrageous that private patients are being slugged yet again to fill the coffers of the ACT Government.”

PHA called on ACT Health to immediately update its admission information for patients to ensure they know the risk of using their health insurance in a public hospital. Proper informed financial consent should give patients one of three options to consider when making their choice to become a private patient:

- They will not be charged any out-of-pocket costs,
- The hospital cannot guarantee they will not be charged out-of-pocket costs, or
- They will be charged out-of-pocket costs, and the full amount of those costs.

“It is not reasonable for public hospitals to charge patients out-of-pocket costs without express, written consent beforehand about the full amount of those costs,” Dr David said.

*Private Healthcare Australia is the peak representative body for Australia’s private health insurance industry. PHA represents more than 20 Australian health funds and 15 million Australians (55% of the population) who have private health insurance.*

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In its 2025-26 Budget, the ACT Government said it would raise \$13 million by slugging health funds and people with private health insurance. It is planning to do this by introducing a tax hike for 319,000 ACT residents with health insurance and asking health funds to pay almost double the Commonwealth Government's price for a single room in a public hospital. This would be charged when an insured patient is admitted to a public hospital for care.

## **Background**

Every Australian has the right to be treated as a [private patient in a public hospital](#). Patients may opt to do this for choice of doctor or a single room if there's one available, but they should not be coerced into doing so.

Free public hospital care is a fundamental tenet of Medicare. However, there is a well-established practice in the public system to 'encourage' patients to use their insurance in public hospitals to boost government revenue.

There has been growing concern about the trend to increase private patient admissions in public hospitals. This practice was called out in the [mid term review](#) of the National Healthcare Reform Agreements conducted by

Rosemary Huxtable last year. She said:

*Some LHNs [local health networks] see private health insurance (PHI) income as an important source of own source revenue, potentially at the expense of public patient admissions. Instances were noted of patients feeling pressured to use their private insurance following an admission from the ED and/or public hospital stay and then facing out-of-pocket costs. The extent of those costs was not always clear at the point of private patient election.*

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