

# Media Release

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Private Healthcare Australia  
Better Cover. Better Access. Better Care.

## Specialist doctors hit Australians with soaring out-of-pocket bills

Australians seeking healthcare in the private sector have been slugged with a 9% surge in hospital out-of-pocket fees over the past year, driven largely by increased charges from medical specialists, data from the Australian Prudential Regulation Authority (APRA) shows.

The sharpest rise is being felt by some patients needing orthopaedic surgery, including common procedures like hip and knee replacements. When orthopaedic surgeons charge a gap fee, the average is now \$1,531 on top of what Medicare and health insurers already pay – the highest among all specialists. This fee was up 8.7% from the previous year.

[APRA's latest quarterly data](#) for private health insurance reveals:

- Health insurers continue to cover around 90% of overall hospital charges, yet the out-of-pocket costs passed on to patients have jumped from \$437 to \$478 in just 12 months.
- Specialist doctors are driving the increase, with the average in-hospital gap fee climbing 6.6% to \$271 over the past 12 months.
- By contrast, out-of-pocket costs for allied health providers like dentists, physiotherapists and podiatrists only rose 3.2%.

Dr Rachel David, CEO of Private Healthcare Australia, said escalating charges by some doctors, particularly surgeons and anaesthetists, were shutting patients out of care and putting private hospitals under pressure.

“Up to 20% of Australians are not seeing a specialist when they need to because of cost and this data tells us specialists are charging some people increasingly high fees for hospital treatment,” Dr David said.

“Health insurers are doing everything they can to strike ‘no gap’ fee agreements with doctors and hospitals so their members don’t pay extra fees when accessing private hospital treatment, but around one in 10 people are still getting hit with fees which are increasing all the time. Medicare and health funds cannot keep chasing rapid price inflation in medical fees.”

Despite these cost pressures, health insurance membership continues to grow, which is leading to record high payments to hospitals. The APRA data shows:

- 12.5 million Australians (45%) now hold hospital cover
- 14.6 million (53%) have extras cover for dental, physio, optometry and more, and
- Health insurers paid a record \$19 billion to hospitals in 2024-25 (up 5.8%) and \$6.7 billion for general treatment services (up 6.9%).

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*Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 22 Australian health funds. Over 15 million Australians (55% of the population) have private health insurance.*

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