



Urgent reform needed to close private health loopholes

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The Consumers Health Forum of Australia (CHF) is deeply concerned following today's media reports, revealing that Australians with Silver private health insurance policies are being left with shocking, immediate out-of-pocket costs when they require accident-related joint replacements.

An ABC News investigation highlighted cases where long-time policyholders discovered, often on the eve or day of surgery, that their downgraded Silver policies excluded essential joint replacement procedures, leaving them with bills of \$20,000–\$40,000 to pay upfront.

CHF CEO Dr Elizabeth Deveny said these cases reflect a system that is increasingly unpredictable and unfair for consumers who believe they are adequately covered.

“People are doing the right thing. They pay their premiums. And they’re still hit with \$20,000 bills. That’s unacceptable.

“A policy that only works when nothing goes wrong isn’t doing its job.

“Premiums keep rising faster than wages. Trust is falling even faster,” said Dr Deveny.

In the reported cases, consumers were blindsided by exclusions buried within downgraded products, often introduced during cost saving switches encouraged by insurers years earlier. One couple, insured for decades, discovered their Silver Plus policy no longer covered an urgently needed joint replacement after an accident, leaving them facing a \$30,000 bill, including \$16,000 required upfront by the hospital.



Dr Deveny said that the current status quo is not best serving Australian consumers and the system must change so it is fairer and stops people slipping through the system's cracks.

“People don’t wake up thinking about regulatory models. They wake up expecting the system to treat them fairly.

“Consumers want predictability and fairness. They want to know that when they’re sick, the system will show up for them,” said Dr Deveny.

CHF warns that the increasing prevalence of exclusions, paired with premium rises averaging 4.41% from April, poses a direct risk to public confidence in the private health system. As more consumers downgrade due to cost-of-living pressures, they face rising uncertainty about whether their policies will protect them when they need care.

“Exclusions keep creeping up. At some point you ask: what am I paying for? People feel ripped off.

“You cannot have a system that only works if everyone buys the most expensive option. That’s not a well-designed system,” said Dr Deveny.

CHF is calling for urgent national action to strengthen consumer protections, improve transparency, and ensure that accident-related care, including joint replacements, is covered in a clear, consistent, and consumer friendly way across all policy tiers.

“Ultimately, the least powerful person in this transaction must be the most protected. Right now, they’re not,” said Dr Deveny.

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