



Parliament House
Canberra ACT 2600

Dear Senators,

Re: Health Legislation Amendment (Improving Choice and Transparency for Private Health Consumers) Bill 2026 Inquiry

Thank you for the opportunity to provide feedback on this proposed legislation.

The Consumers Health Forum of Australia (CHF) is the national peak body representing the interests of Australian healthcare consumers. We draw on consumer experiences, research and engagement with our Member organisations and community networks to advocate for a health system that is safe, fair and accessible for all Australians.

We note that the three-week timeframe (12 business days) for submissions to this Inquiry has limited our capacity to consult with our broader community and networks to provide a comprehensive consumer view on this issue.

Based on previous work and research undertaken by CHF, we know that private health insurance (PHI) remains a difficult market for many consumers to navigate with confidence. Consumers consistently report:

- Difficulty comparing the large number of providers and policies to determine whether they are receiving value for money and coverage that meets their health needs.
- Increasing challenges affording PHI as premiums and out-of-pocket costs rise alongside broader cost-of-living pressures.
- Concern about exclusions and policy limits that reduce the practical value of coverage and increase the risk of unexpected costs when care is needed.

Consumers have also reported situations where their existing policy is discontinued and they are given a short timeframe to select a replacement policy, with alternatives often offering reduced coverage or higher costs.

While consumers have not explicitly identified “phoenixing” of policies as a cause of these experiences, practices designed to avoid scrutiny are unlikely to be visible to consumers by design.

From a first-principles perspective, CHF recognises the loophole that currently exists in legislation where insurers may discontinue and replace policies in ways that effectively change

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coverage or pricing while avoiding the oversight mechanism that would normally apply to changes in existing policies.

We therefore offer qualified support for the intent of this legislation to close that loophole by extending Ministerial approval requirements to new policies as well as changes to existing ones.

Strengthening oversight in this way is a necessary step toward improving consumer protection and transparency.

However, on its own this measure will not fully address the challenges consumers face in navigating the PHI market. The proposed change does not necessarily prevent consumers being moved into new policies with reduced coverage, nor does it simplify the complexity of the overall product landscape.

From a consumer perspective, one of the key challenges in PHI remains the sheer number and complexity of policies available. Any reforms should support efforts to simplify the market and make it easier for consumers to compare policies and understand what they are paying for.

Consumers do not expect to become experts in insurance regulation. They simply want confidence that the policy they purchase will provide meaningful protection when they need care.

Closing regulatory loopholes is therefore an important step, but it should form part of a broader effort to improve transparency, simplify policies, and ensure that PHI delivers genuine value for consumers.

Should the Committee wish to explore these issues further, CHF would welcome the opportunity to assist with additional consumer insight or consultation.

Yours sincerely,

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