






# The National Private Price

## Making hospital funding simple and fair

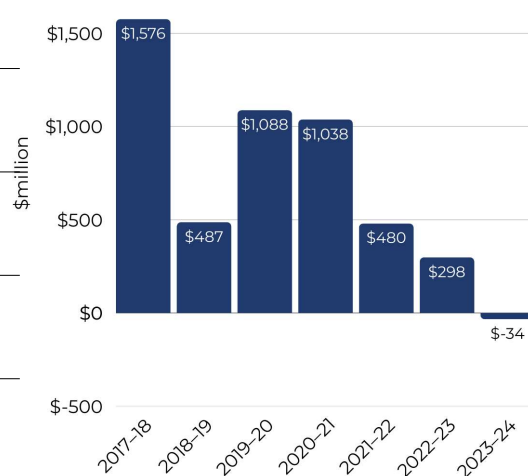
### What is the National Private Price?

The National Private Price would create a transparent, nationally recognised benchmark floor price for private hospital care in Australia. It would aim to ensure funding reflects the true cost of care, strengthen sustainability, and deliver better outcomes for patients.

### Why do we need it?

	<b>Funding and cost mismatch</b>	Insurer funding lags real care costs, with little transparency
	<b>Service closures</b>	80+ service closures in five years; \$34m sector loss in 2023–24
	<b>Declining value</b>	Patients are paying more but see less value
	<b>Stagnating innovation</b>	No mechanism to scale best practice or reward innovation
	<b>Public hospital pressure</b>	Public hospitals are stretched as patients shift from private care

Private hospital operating profit



### What should it do?

- ✓ Align funding with real care costs
- ✓ Adjust for complexity, location, care type etc.
- ✓ Fund new and innovative care models
- ✓ Reward high-performing hospitals
- ✓ Drive greater efficiency in the sector
- ✓ Increase transparency

### What shouldn't it do?

- x Impose a “one-price fits all” price
- x Set a fixed price
- x Copy the public hospital model
- x Limit clinician autonomy and patient choice
- x Be a shortcut to funding cuts
- x Negatively impact competition

### How should it be implemented?

- Expand private hospital cost and activity data to model the price
- Model impacts before rollout
- Implement appropriate independent governance mechanisms
- Stage rollout with caps on annual funding shifts to reduce
- Ongoing evaluation and recalibration

### What are the outcomes?

- **Patients:** stable access to private hospital services, new models of care, and better outcomes
- **Hospitals:** funding that reflects the cost of delivering care
- **Insurers:** transparent benchmarks and stronger basis to justify premiums
- **System:** sustainable, transparent funding that balances efficiency, equity, and innovation