

MEDIA RELEASE

DAY HOSPITALS AUSTRALIA DEMANDS URGENT FUNDING REFORMS TO AVERT FURTHER HOSPITAL CLOSURES

Day Hospitals Australia (DHA) Chair, The Hon. Assoc. Prof. Anthony Lynham, and CEO, Jane Griffiths, have called on Health Minister Mark Butler and Shadow Health Minister Sen. Anne Ruston to take immediate action to reduce health insurance costs for consumers, prevent the closure of day hospitals and improve the financial sustainability of all private hospitals.

“The health system is in crisis,” said DHA CEO Jane Griffiths. **“We need real reform to stop hospitals from closing and ensure the long-term viability of the healthcare system in Australia.”** DHA suggests three key reforms will help:

- 1. Introduce Equitable Pricing for Hospital Procedures**

The current payment system is highly inconsistent and outdated. This is causing an imbalance with some overnight hospitals receiving significantly more than day hospitals, and in diagnostic endoscopy, up to **90% more** than day hospitals for the same procedure. This imbalance is unfair and unsustainable. DHA is calling for **transparent pricing for health insurance contracts** that reflects the actual service provided rather than the market power of the hospital.

- 2. Create a New ‘Type D’ Category for Day Hospitals**

To reduce healthcare costs by **hundreds of millions of dollars**, DHA proposes a new **Type D category**, where certain procedures must be performed in a day hospital setting. A **pilot program for ophthalmology and gastroenterology** could demonstrate immediate efficiency improvements and cost savings of \$300m to private health insurers and the broader health system. This creates the environment to deliver savings to consumers.

- 3. Establish an Independent Private Health Authority**

DHA supports the Australian Medical Association (AMA) and the Australian Private Hospitals Association (APHA) in calling for an **independent regulatory body** to oversee the implementation of these reforms and ensure fairness and accountability in private hospital funding.

“These reforms are essential to making healthcare more affordable, sustainable, and efficient for all Australians.” Ms. Griffiths said.

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