

Media Release

Patients caught in the middle: Landmark survey on specialist fees and out-of-pocket costs shows an outdated system under stress.

Sydney, 22 April 2026: Australians are being caught in a growing squeeze between rising healthcare costs and inadequately indexed Medicare and insurance rebates, according to a landmark new report commissioned by the Australian Society of Anaesthetists (ASA) from 25% of the profession (1121 specialists) who provide care through the private system.

Australia has a world leading mixed public/private health system. The findings paint a picture of a system under strain, where doctors are increasingly forced to balance fair fees with patient affordability - while unindexed rebate systems fail to keep up with modern medical practice.

ASA President Dr Vida Viliunas said the report highlights mounting pressure across the healthcare system, “Anaesthetists are doing everything they can to keep costs down for patients, but the system is no longer keeping pace with modern medical practice,” she said. “Without urgent reform to rebates and indexation, patients will continue to feel the pressure in their out-of-pocket costs.”

The report reveals a consistent nationwide gap between what anaesthetists are currently paid and what they believe reflects the true cost of care. On average, specialists say they are charging almost 30% less per unit than their preferred rate, indicating a widespread shortfall across Australia. The gap between preferred rate and rebates has grown given the lack of adequate indexation over 20 years.

Fees are influenced by factors such as procedure duration, complexity and insurer arrangements, but also by a strong desire to minimise costs for patients - showing that affordability remains a central concern in fee-setting decisions. Fees are not a one size fits all given patient complexity.

The report highlights the extent to which anaesthetists are personally absorbing costs to support patients. Fee reductions and waivers have become a routine part of practice, with 72% of anaesthetists reporting requests to reduce fees in the past year. Many say they regularly lower or waive fees due to patient financial hardship, reflecting a strong commitment to patient care despite increasing financial pressures.

Dr Viliunas said this trend underscores deeper systemic issues, “Anaesthetists are stepping in to protect patients from rising costs, often absorbing the financial impact themselves,” she said. “But this is not sustainable in the long term if you want to maintain a viable private system to work alongside the public system.”

Emergency and unplanned care present some of the most difficult challenges. In these situations, financial consent is often limited to verbal discussions due to time pressures, and many doctors avoid fee conversations altogether to reduce patient distress. As a result, anaesthetists frequently default to “no gap” or “known gap” billing.

Despite ongoing public debate about medical fees, the report makes clear that out-of-pocket costs are largely driven by stagnant MBS and Private health insurance rebates, rather than excessive charges.

Anaesthetists overwhelmingly identified higher private health insurance rebates, increased Medicare rebates and proper indexation as the most effective ways to reduce patient costs.

Dr Viliunas emphasised the need for urgent reform, “Patients deserve transparency and fairness, and doctors deserve a system that reflects the real cost of delivering safe, high-quality care,” she said. “Fixing MBS and private health insurance rebate indexation is the single most important step to reducing out-of-pocket costs.”

From our research, it is clear that patients would benefit from a more informed understanding about how Medicare and private health insurance works to reduce confusion and mistrust that gets directed at clinicians. The ASA wants to ensure that any reforms would simultaneously enhance patient trust, health literacy, access and affordability while preserving quality care.

The ASA Specialist Fees and Patient Out-of-Pocket Costs report is based on responses from more than 1,100 anaesthetists nationwide, offering one of the most comprehensive insights into fee-setting practices in Australia. The survey was undertaken from December 2025 – February 2026.

Specialist anaesthetists engage with people at critical moments of their life and do so with great compassion, care and expertise.

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