

Exclusive National [Healthcare](#)

One in five patients skip treatment due to out-of-pocket costs

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Up to one in five Australians have been unable to afford specialist medical appointments or recommended treatments due to rising out-of-pocket fees, according to a survey of thousands of patients.

The alarming findings, collated by La Trobe University, also found 40 per cent of private hospital patients are being slugged with out-of-pocket specialist fees of more than \$1000. Almost one in four of those patients say they were only informed of all costs once at the hospital or after they were discharged.



Luan Lawrenson-Woods paid \$30,000 in out-of-pocket fees for surgeries and treatment related to breast cancer despite having private health insurance. DOMINIC LORRIMER

The 2025 Patient View report, commissioned by advocacy group Patients Australia, surveyed more than 5400 Australians on their experiences with and views of out-of-pocket fees in general practice and specialist care.

Almost half of respondents who paid out-of-pocket costs for a GP visit paid an average gap fee of \$51 or more. And for those who saw a specialist in their private rooms and had to dip into their own pocket, one in three paid \$201 or more.

Out-of-pocket expenses, otherwise known as gap fees, refer to costs not covered by Medicare or private health insurance. This masthead revealed last year that out-of-pocket payments for common medical procedures in the private health system had increased [by as much as 300 per cent](#) in five years.

When Luan Lawrenson-Woods was diagnosed with an aggressive type of breast cancer in 2017, she assumed that most of her treatment and subsequent surgeries would be covered by her private health insurer.

But the 53-year-old Sydney woman said she was left with more than \$30,000 in out-of-pocket fees for a mastectomy, breast reconstruction, hysterectomy and oophorectomy (surgery to remove her ovaries).

“I started keeping tabs in a spreadsheet of all my healthcare costs, but I stopped within six weeks of being diagnosed because I couldn’t keep up with it,” she said. “I was so surprised by all the out-of-pocket expenses.”

Fortunately, a critical illness insurance payout covered most of Lawrenson-Woods’ out-of-pocket fees, which were incurred over a three-year period. But this payout has run out.

Lawrenson-Woods is now paying large out-of-pocket fees for check-ups with her oncologist, exercise physiologist and psychologist, as well as routine scans.

“It’s impossible to quantify how much I have spent on my health since my diagnosis seven years ago.”

However, she said she was in a more fortunate situation than others.

“I know people who have had to draw down their super.”

Lawrenson-Woods said she was informed about most of her costs before treatment, except for a \$570 fee for an assistant surgeon during her gynaecological operation.

“I wasn’t expecting it. They didn’t provide me with the assistant surgeon’s fees in the quote.”

When she questioned the bill with the practice manager, she was told that she had been verbally informed of this additional fee eight months earlier. While Lawrenson-Woods disputed this, she felt like she had no choice but to pay this unexpected bill.

Lawrenson-Woods, who works as a patient advocate and hosts the Rewritten Me podcast – which explores breast reconstruction – has now been cancer-free for seven years and still sees the value in having private health insurance.

“I felt like I had more control over my surgery. That was really important to me.”

The Patient View report suggests Lawrenson-Woods is far from alone.

“Australians are rapidly losing a once cherished feature of healthcare in this country,” the report states. “We are moving from a ‘universal’ system where care can be accessed by anyone at any time to a ‘user pays’ partially insured system in which health practitioner out-of-pocket costs are becoming a major barrier to essential care.”

More than 90 per cent of the survey’s respondents believed that private health insurance should cover GP visits. And while a majority wanted the government to reduce out-of-pocket fees for GP visits, a cap on gap fees was far more popular than additional taxes to cut healthcare costs.

While Patients Australia, formerly known as the Australian Patients Association, does accept donations from corporations – including private health insurers – no one group sponsored the research and La Trobe University worked on a pro bono basis.

Dr Rachel David, the chief executive of Private Healthcare Australia, the peak body for health funds, said it was no wonder that some private hospitals were struggling and some beds were sitting empty.

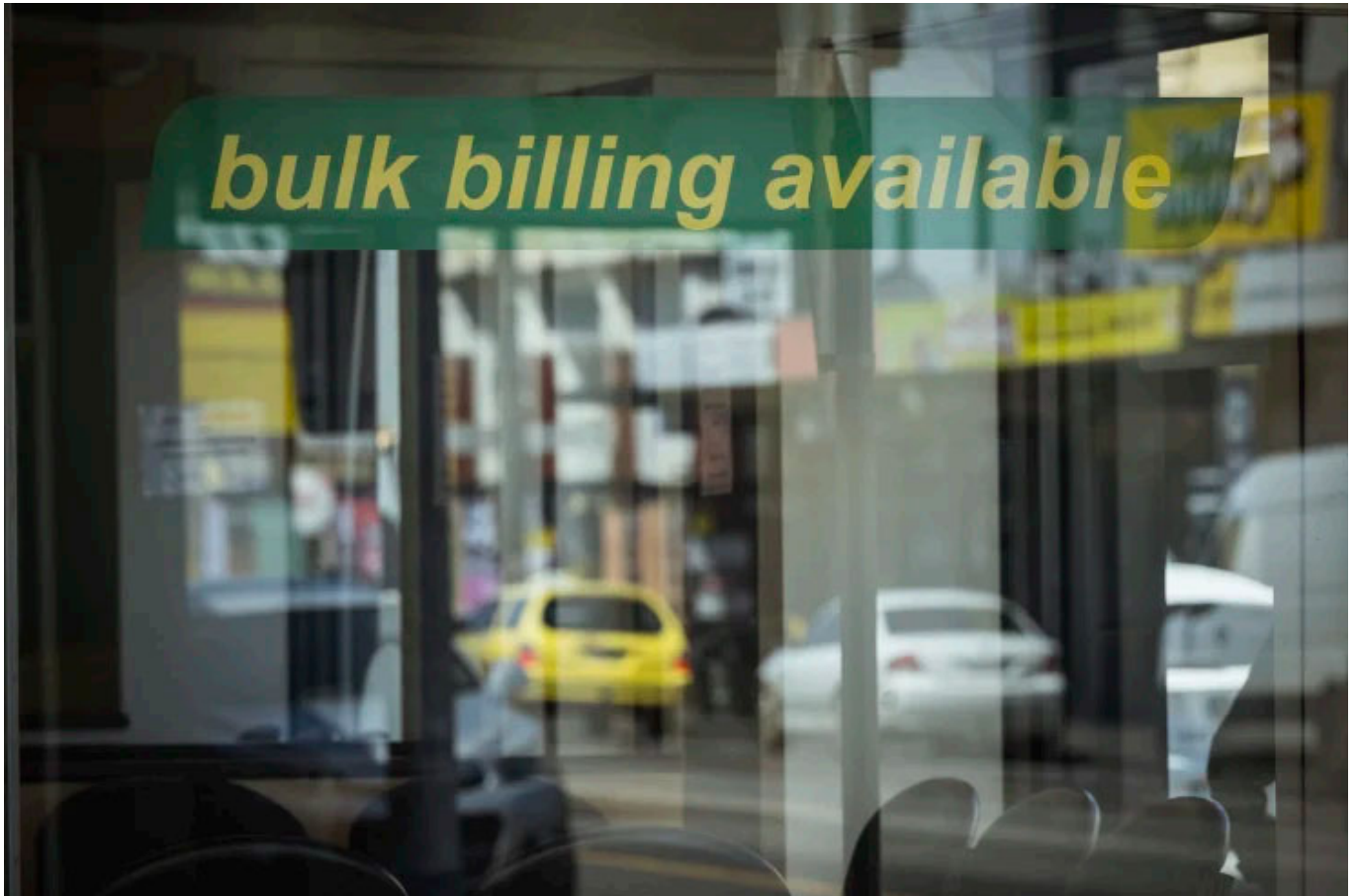
“People need to be able to see a specialist doctor to get referred into a private hospital for treatment,” David said. “We must get specialist doctors charging more reasonable fees if we want to address this unbalanced use of our hospital resources.”

David called on Australia to introduce tougher laws to protect consumers from surprise billing, as has been done in the United States with bipartisan support.

“Fifty-five per cent of Australians – 15 million people – are paying for private health insurance. These people are contributing to their own healthcare and taking pressure off our stressed public hospital system. They should be guaranteed protection from unanticipated medical costs.”

The office of federal Health Minister Mark Butler was contacted for comment. Butler has previously described growing out-of-pocket costs as a “barbecue stopper” topic of conversation and said more needed to be done to drive down healthcare costs.

Opposition health spokeswoman Anne Ruston said GP bulk-billing rates had fallen 11 per cent under Labor and out-of-pocket costs had climbed to their highest levels on record. “Despite all of Labor’s lies and rhetoric on Medicare, the system has only been sent backwards,” Ruston said.



Federal Health Minister Mark Butler has previously described growing out-of-pocket medical costs as a “barbecue stopper”. CHRIS HOPKINS

“We are really concerned that more and more Australians are choosing to avoid essential healthcare because they just cannot afford it. This is not a choice that Australian households should be faced with.”

Prime Minister Anthony Albanese last month pledged to make universal healthcare a core pillar of Labor’s upcoming election campaign. Opposition Leader Peter Dutton subsequently matched Labor’s promise of cheaper GP visits and said he would pour \$8.5 billion into Medicare.

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