**‘The way healthcare should work’: Patient Voice is being heard and improving the private healthcare experience**

**25 September 2025, Melbourne, Australia:** The Australian Health Service Alliance (AHSA) today announced a significant innovation in healthcare funding arrangements between private hospitals and insurers.

One large, Australian hospital group has received a performance-based incentive from AHSA as a result of measurable improvements to their patient-reported experiences. It comes after the hospital group embraced the opportunity with AHSA and committed to improving patient experience scores over a defined period.

It is the first time in Australia that patient-reported experience measures have directly contributed to improved funding arrangements between private hospitals and insurers, marking a significant step toward value-based care over volume.

The Australian Health Service Alliance (AHSA) and its 21 member-owned health funds approved a performance-based rate increase after the hospital group improved the patient reported healthcare experiences.

For decades, private hospitals in Australia have been funded for activity — performing procedures or admitting patients. But from the patient’s perspective, the goal is not another operation; it is better health, safety, and a return to normal life, said AHSA CEO, Andrew Sando.

“Value-Based Healthcare changes this equation. Instead of rewarding activity, it rewards outcomes that matter to patients,” Sando said.

For five years, AHSA’s Voice of the Patient (VoP) program — run in partnership with Insight Actuaries — has collected feedback from more than 101,000 patients about their experience and outcomes of care in private hospitals. It is the largest dataset of its kind in Australia.

Patients are asked about the issues that matter most:

* Did they feel heard and cared for?
* Were they confident in their safety?
* Was communication clear and useful?
* Were they included in decisions about their care?
* How did their treatment impact their quality of life, pain and function?

This risk-adjusted, benchmarked feedback provides hospitals with an unprecedented view of their performance compared with peers in both patient experience and outcomes of care over time.

“Great healthcare requires a partnership approach. We now have rich insights into how patients experience care across the system, and we share this openly with hospitals, but the key is how the hospitals respond to this information”.

The hospital groups improvement interventions that resulted from access to the VoP data and measures included:

* Personalised pre-admission processes to help patients understand their care journey
* Enhanced communication while in hospital and after discharge
* Partnering with consumer advisory committees for direct patient input
* Bringing allied health services in-house to strengthen care coordination

“The hospital’s approach was both strategic and inspirational,” said Sando. “They took patient feedback seriously, acted on it, and delivered meaningful change. They noted that access to the VoP risk-adjusted comparisons and performance metrics was a key piece of their improvement journey and supported them in making meaningful changes that directly impacted patients. We can now see how hospitals will use this data to make outcomes better.”

**International recognition and Pathway to Reform**

The Voice of the Patient program is attracting global attention. In 2025 alone, it has featured at the World Expo in Japan, has been showcased at an International Consortium for Health Outcomes Measurement (ICHOM) conference, and was highlighted at a recent Harvard’s Value-Based Care program.

“Many have spoken about value-based care,” said Sando. “We are proving it works — and showing that when providers focus on what matters to patients, the entire system improves.”

“This initiative not only demonstrates that value-based care is achievable — it proves that when we listen to patients, the entire system improves.”

AHSA is now working to expand the model across more private hospital providers in 2025, creating a scalable blueprint for reform and innovation in private hospital funding.

“This is the way healthcare should work — hand in glove with the focus on the patient,” said Sando.

**About AHSA**

[**The Australian Health Service Alliance (AHSA)**](https://www.ahsa.com.au/web) is a large, member-owned, not-for-profit service organisation. We serve small to medium not-for-profit and member owned health funds to achieve the shared goal of a quality, sustainable private health insurance industry for their members. The AHSA facilitates arrangements with healthcare providers on behalf of our funds. As a large service provider and negotiating group, our funds benefit from our collective size to achieve successful outcomes for members. Negotiation of competitive, patient-focused contracts brings value to fund members and contributes to the viability of Australia's healthcare industry. AHSA exists for our funds and our funds exist for their members. Together, we strive for high quality private healthcare at an affordable price.

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