



HEALTHY COVER

April 2019

A consumers' guide to the private health insurance changes



Consumers Health
Forum OF Australia

Introduction

Next Monday, private health insurance begins the most extensive changes in recent years. This guide has been compiled by the Consumers Health Forum of Australia for our members, many of whom have members of their own with private health insurance and an interest in learning more about what the changes mean for them.

There are seven main areas of change with most taking effect from 1 April 2019.

The changes are designed to make private health insurance choices easier to make, to help people choose cover that best suits their needs, and to improve the value of private health insurance for people in particular circumstances such as those living in rural and remote Australia.

The central change is the fixing of hospital insurance into four tiers, or categories, each classifying varying levels of cover. The aim is to bring more certainty and comparability into choosing the level of cover that best suits you and your family. Health funds have until April 2020 to make the changes, although many are expected to introduce them next Monday.

CHF will be providing members with further information over the coming weeks. This will include questions to ask yourself or your insurer about the changes and an interactive webinar with expert speakers.

The shift to the new tiers has required health funds to make changes to individual policies. For many people the classification of their policy comes at the same time as their annual premiums rise. It is more important than ever for consumers to assess their insurance needs and to be assured that their policy still works for them.

For many years CHF, several of our members and others such as CHOICE have been concerned that the value of health insurance is among the top household worries. We have also been concerned that the private health insurance market is very complex and difficult for many to understand. These changes are a response to those concerns.

The aim of this Healthy Cover guide is to provide an easy-to-understand overview of the changes and point consumers to more detailed information that will help them work through the changes to assess what best suits them. We have included consumer-friendly links for what you need to know in making your health insurance choice.

The Consumers Health Forum of Australia is the national peak body representing the interests of Australian healthcare consumers and those with an interest in health consumer affairs, with a network reaching millions of Australian consumers.

CHF.org.au

02 6273 5444

twitter.com/CHFofAustralia

facebook.com/CHFofAustralia

Office Address: 7B/17 Napier Close, Deakin ACT 2600

Postal Address: PO Box 73, Deakin West ACT 2600

Four tiers of hospital cover: Gold, Silver, Bronze, Basic



For the first time, health funds will be required to classify their private hospital cover into four specified tiers: Gold, Silver, Bronze and Basic. Funds will also be able to offer limited additional cover above minimum requirements for each of the three lower tiers with products labelled Silver Plus, Bronze Plus and Basic Plus.

With Basic cover, your policy would be required to offer minimal restricted or limited cover for just three categories of hospital treatment: rehabilitation, hospital psychiatric services and palliative care.

At the other end of the scale, with Gold cover, the funds must provide cover for about 40 categories of hospital treatment, ranging from brain and cardiac surgery to child birth and joint replacements.

In between Basic and Gold levels, the Bronze and Silver tiers offer varying levels of minimum required cover with the option to include treatments from higher tiers via the Plus options.

There are a range of other aspects you may need to consider in working out whether or what sort of health insurance cover you require, including the rebates which vary with age and income, aged-based discounts for joiners, and penalties for those joining who are over thirty, and the [Medicare Levy Surcharge](#) which applies to people on higher incomes.

HOSPITAL TREATMENTS BY CLINICAL CATEGORY	BASIC	BRONZE	SILVER	GOLD
Rehabilitation	✓(R)	✓(R)	✓(R)	✓
Hospital psychiatric services	✓(R)	✓(R)	✓(R)	✓
Palliative care	✓(R)	✓(R)	✓(R)	✓
Brain and nervous system	O (R)	✓	✓	✓
Eye (not cataracts)	O (R)	✓	✓	✓
Ear, nose and throat	O (R)	✓	✓	✓
Tonsils, adenoids and grommets	O (R)	✓	✓	✓
Bone, joint and muscle	O (R)	✓	✓	✓
Joint reconstructions	O (R)	✓	✓	✓
Kidney and bladder	O (R)	✓	✓	✓
Male reproductive system	O (R)	✓	✓	✓
Digestive system	O (R)	✓	✓	✓
Hernia and appendix	O (R)	✓	✓	✓
Gastrointestinal endoscopy	O (R)	✓	✓	✓
Gynaecology	O (R)	✓	✓	✓
Miscarriage and termination of pregnancy	O (R)	✓	✓	✓
Chemotherapy, radiotherapy & immunotherapy for cancer	O (R)	✓	✓	✓
Pain management	O (R)	✓	✓	✓
Skin	O (R)	✓	✓	✓
Breast surgery (medically necessary)	O (R)	✓	✓	✓
Diabetes management (excluding insulin pumps)	O (R)	✓	✓	✓
Heart and vascular system	O (R)	O	✓	✓
Lung and chest	O (R)	O	✓	✓
Blood	O (R)	O	✓	✓
Back, neck and spine	O (R)	O	✓	✓
Plastic and reconstructive surgery (medically necessary)	O (R)	O	✓	✓
Dental surgery	O (R)	O	✓	✓
Podiatric surgery (provided by a registered podiatric surgeon)	O (R)	O	✓	✓
Implantation of hearing devices	O (R)	O	✓	✓
Cataracts	O (R)	O	O	✓
Joint replacements	O (R)	O	O	✓
Dialysis for chronic kidney failure	O (R)	O	O	✓
Pregnancy and birth	O (R)	O	O	✓
Assisted reproductive services	O (R)	O	O	✓
Weight loss surgery	O (R)	O	O	✓
Insulin pumps	O (R)	O	O	✓
Pain management with device	O (R)	O	O	✓
Sleep studies	O (R)	O	O	✓

✓ Minimum requirement of the product tier

(R) Insurers are allowed to offer cover for this clinical category on a restricted basis/with limited benefits

O Optional for insurer to include – not a minimum requirement of the product tier

Hospital treatment product tiers: Gold, Silver, Bronze, Basic

For further details on the clinical categories [click here](#)

The Government has also announced several additional measures to encourage funds to provide more flexibility and more comprehensive cover. These are:

Expanded choice of excess levels



Excess levels are to be increased from \$500 to \$750 (singles) and from \$1,000 to \$1,500 for couples and families.

[Learn More](#)

Discounts for young adults



Those aged 18 – 29 can get discounts of up to 10 per cent of private hospital premiums.

[Learn More](#)

Regional and rural consumers



Health funds can offer travel and accommodation benefits under hospital cover.

[Learn More](#)

Exclusion of some natural therapies



Health insurance rebates have been withdrawn from 16 therapies that are not evidence-based.

[Learn More](#)

Stronger Ombudsman's powers



The Private Health Insurance Ombudsman's role has been expanded to inspect and audit private health insurers to address complaints.

[Learn More](#)

Mental Health access eased



Patients will be able to upgrade cover to access higher benefits for hospital care without serving a waiting period.

[Learn More](#)

Improved consumer protections for terminating products

New measures requiring insurers adequately to inform consumers about planned termination and transfers to a new product.

[Learn More](#)

Insurance information upgrade

A Private Health Information Statement for consumers, and making insurance data publicly available will improve access to information

[Learn More](#)

For further information and explanations see:

[The basics - health insurance explained](#)

[The Department of Health overview](#)

[CHOICE consumers' guide](#)

[Private Health Insurance Ombudsman's overview](#)

[Compare Policies](#)

The Healthy Cover guide is independently produced by the Consumers Health Forum with financial assistance from the Department of Health.