



New 'Gold/Silver/Bronze/Basic' classification will help consumers choose and use their private health insurance

Private Healthcare Australia, the peak industry body for Australian private health funds, has welcomed the Federal Government's new classification scheme for private health insurance.

"This new system marks a major improvement to how consumers choose and use their private health insurance," CEO of Private Healthcare Australia, Dr Rachel David said today.

"Over a two year period we have gone through health fund products line by line to classify them into Gold, Silver, Bronze and Basic categories depending on the cost of the product, and the level of cover provided.

"This has been a complex process and a balancing act, because we need to ensure consumers have access to products which are both affordable, and provide value for money across all life-stages.

"We have been careful not to unintentionally increase complexity, or introduce product changes that would either increase premiums or reduce coverage unnecessarily.

"A media report today claiming women and families will need to pay more for obstetrics cover is incorrect. Obstetrics is a high-risk, high cost treatment area currently only covered in top hospital cover. The inclusion of obstetrics in the 'Gold' tier reflects the current state of the market and will not alter premiums.

"A key part of this new system is the retention of the Basic tier which ensures there is an affordable option for people in rural and regional Australia who want continuity of care from a private specialist, but only have access to a public hospital.

"The Basic and Bronze tiers also provide affordable entry-level products for younger, healthier people who frequently go on to upgrade as they get older and their life circumstances change.

"The key issue with the lower cost tiers is effective communication to consumers about what is and isn't covered so they know what they are buying. The new classification and information system addresses this.

The classification process, developed and agreed by the Private Health Ministerial Advisory Council (PHMAC) has modified or eliminated some historical features of health fund products which have been confusing to consumers, like restricted cover in the higher tiers, and benefit limitation periods.

Information about the new product tiers and the treatments covered by health fund products will be provided to health fund members in the first half of 2019.

"Health funds acknowledge transparency of costs and services to consumers in the private health system has been perceived as inadequate, and this new system takes a much-needed step towards putting the consumer and the patient back in control," Dr David said.



Private Healthcare Australia
Better Cover. Better Access. Better Care.

Press Release

“PHA and our member health funds are looking forward to the introduction of additional measures to help consumers and their GP choose medical specialists based on price and qualifications.

“A fully transparent private health system, where the consumer is in control of their choices, is one that will be stronger and more sustainable in future.”

ENDS

Private Healthcare Australia is the peak representative body for Australia’s private health insurance industry. PHA represents 20 Australian health funds with a combined membership of 12.9 million Australians, or 96% of the sector on membership. Promoting the value of private health insurance to consumers in the Australian economy and keeping premiums affordable for our members is the number one priority of PHA members.

Media contact:

Celia Moore, 0432 344 069