



Press Release

11 October 2018

Gold Silver Bronze Basic system will help consumers choose and use the best health cover for them

Private Healthcare Australia Chief Executive Dr Rachel David said new private health insurance rules announced by the Government today will make it easier for consumers to choose and use their health cover.

“Australian consumers have asked for a PHI system which is easier to understand and more transparent and the Gold, Silver, Bronze, Basic classification system will deliver that,” said Dr David.

“This reform is a key feature of the PHI package of reforms and will classify existing policies into easy to understand tiers. The system is designed to reflect as much as is possible the spread of products already in the market, however it will eliminate features of the system that consumers have found confusing, improve transparency and make it simpler for consumers to use their PHI.

“The Private Health Ministerial Advisory Committee (PHMAC) developed this system so consumers would have access to products which are both affordable and provide value for money across all life-stages.

“Despite media speculation, this reform will be premium neutral on average, as was always the intention. More than 13.5 million Australians hold PHI and over half of those have disposable incomes under \$50,000 per annum. Many of these are full pensioners and superannuants who are making considerable sacrifices to maintain their health cover.

“Health funds have worked with the government and private health stakeholders for more than two years to deliver PHI reforms. In doing so we have gone through health fund products line by line to ensure we are keeping the balance of affordability and value for money for consumers choosing private health”.

Dr David said multiple models were considered and evaluated by PHMAC during the PHI reform process and the final rules as agreed by Government, private health and consumer stakeholders will be implemented by health funds.

Health funds can now start implementing the new product tiers. New policies will be categorised under this system from 1 April 2019, and all products will comply by 1 April 2020.

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.

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