



Australian Government
Department of Health and Ageing

PRIVATE HEALTH INSURANCE CIRCULAR

Acute Care Division
Private Health Insurance Branch
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Who can purchase Australian Private Health Insurance?

This circular contains information for private health insurers regarding who can purchase Australian private health insurance products.

Purpose

The Department and the Private Health Insurance Ombudsman (PHIO) receive many inquiries from consumers who have approached a private health insurer to purchase a complying health insurance product and have been advised that they are not eligible to do so. The purpose of this circular is to clarify with insurers the eligibility arrangements under the *Private Health Insurance Act 2007* in respect of who can purchase Australian private health insurance products.

Key eligibility principle

Australian private health insurers are required to sell any complying health insurance product (CHIP) to anyone who wishes to purchase one.

This eligibility principle applies regardless of the colour and type of any Medicare card held by the consumer. It also applies even if the consumer doesn't hold any Medicare card.

The Department asks insurers to ensure that this advice is passed on to all staff who sell private health insurance products.

More detailed information about arrangements for various groups of consumers is provided on the following page.

If you require further information please telephone: (02) 6289 9853/24 hr answering machine or email the enquiry to PrivateHealth@health.gov.au

Internet: <http://www.health.gov.au/internet/main/publishing.nsf/Content/health-phicirculars2008-index1>

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Private Health Insurance Branch

Australian citizens and permanent residents

All Australian citizens and permanent residents are eligible to purchase CHIPs from health insurers.

Australian citizens and permanent residents are eligible for Medicare and may hold a *green* Medicare card. Private health insurers must pay benefits of at least 25% of the schedule fee on hospital treatment and hospital substitute treatment for this group. If the consumer has been charged above the schedule fee, insurers may pay additional benefits under gap cover arrangements.

Some Australian citizens and permanent residents may choose not to enrol with Medicare. These consumers are still entitled to purchase a CHIP and insurers must pay a benefit of at least 25% of the schedule fee for treatment. Insurers should inform these consumers that as they are not enrolled with Medicare, they cannot claim a Medicare payment for services that have been provided. Insurers should take this into consideration in order to offer products that best meet the needs of these consumers.

Temporary Australian residents

All temporary Australian residents – including holders of blue and yellow Medicare cards – are eligible to purchase CHIPs from health insurers.

The blue interim Medicare card is issued to consumers who are granted eligibility to Medicare while their application for Australian permanent residency is being considered. It provides time-limited access to all Medicare eligible services. Holders of the blue Medicare card are entitled to purchase private health insurance.

The yellow Medicare card is issued to visitors to Australia who are residents of countries with which Australia has reciprocal health care agreements. Their access to Medicare services is time-limited and does not cover treatment as a private patient in a private or public hospital. Holders of yellow Medicare cards are also entitled to purchase private health insurance.

International students

All international students are eligible to purchase any kind of CHIP from health insurers.

International students are required by the Department of Immigration and Citizenship to purchase overseas student health cover (OSHC) as part of their student visa requirements. OSHC provides similar cover to Medicare with the addition of ambulance and limited pharmaceuticals.

Overseas students may wish to purchase private health insurance general treatment products in order to be covered for dental, optical and other general treatment options. They may also wish to purchase cover for private hospital treatment. Insurers should ensure that these consumers are fully informed about the levels of benefits that can and can't be paid for them under these products.

Non-Australian residents

Non-Australian residents are eligible to purchase any kind of CHIP from health insurers.

Non-Australian residents can purchase private health insurance from overseas, for example to cover them from when they arrive in Australia. As with international students, they do not need to be eligible for Medicare to purchase a CHIP.

People on a skilled migration visa working in Australia may purchase private health insurance in order to claim benefits for general treatment or to avoid the Medicare Levy Surcharge through purchasing appropriate hospital cover.

Overseas visitors health cover (OVHC) is available to be purchased by people who are living or working in Australia on a temporary basis, such as people on a working holiday visa.

Travel insurance can be purchased by people who are planning a short stay in Australia. For those consumers that stay longer, they may choose to purchase OVHC.

Queries

Any queries regarding consumer eligibility for purchasing private health insurance products should be directed to Anne Kingdon, Director Legal Policy Section, by email anne.kingdon@health.gov.au or by phone on (02) 6289 8283.