



The Hon. Greg Hunt MP
Minister for Health

MEDIA RELEASE

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Critical private health insurance legislation passes Parliament

Private health insurance will be simpler and more affordable with critical legislation passing Parliament today which delivers a wide ranging package of reforms which were announced last year.

I welcome the bi-partisan support shown by Labor in supporting these important reforms.

Insurers will now be able to discount hospital insurance premiums for 18 to 29 year olds by up to 10 per cent. The discount will phase out after people turn 40.

More support for Australians in regional and rural areas will now be available, with insurers now able to offer travel and accommodation benefits, as part of insurance policies, for people in regional and rural areas that need to travel for treatment.

Australians need more options when it comes to private health insurance, and they will now be able to choose lower premium prices for higher excesses—the first time maximum excesses have been increased since 2001.

The powers of the Private Health Insurance Ombudsman will also now be boosted by increasing its resources, to match their new powers, to ensure consumer complaints are investigated and resolved clearly and quickly.

We will also make private health insurance easier to understand with a new classification system for every policy starting on 1 April 2019.

This new approach will take all existing private health insurance policies and categorise them into a four tier system – Gold, Silver, Bronze and Basic.

In particular this new system will improve policy coverage for women, including gynaecological services, ovarian and breast cancer treatment and breast reconstruction.

The new changes will explain to consumers exactly what is covered in a policy and what is not in the form of one clear page of information.

Importantly these reforms will not increase prices for consumers. In particular this includes no change in the cost of pregnancy cover.

Our changes are focused on helping consumers understand what is on offer, giving them the opportunity to shop around for the best policy that suits their needs, at the best price.

Standard clinical categories will be mandated, as well as standard terms for medical treatments, which will give consumers greater transparency on what they are covered for.

The Basic and Bronze cover levels are affordable options supporting choice for millions of Australians accessing key health services. Basic policies are especially valued by regional and rural patients.

Silver and Gold policies provide more comprehensive cover for Australians – providing peace of mind for services that are needed at different stages of life

Insurers will also be able to offer cover for clinical categories in addition to those listed as the minimum requirements for the Silver, Bronze, Basic product tiers, in which case the products may be named [Silver, Bronze, Basic] Plus (+).

For the first time I am proud to mandate vital support for women under the Silver and Bronze categories, which will include gynaecological services, ovarian and breast cancer treatment and breast reconstruction.

This will support thousands of Australian women through cancer diagnosis, treatment and recuperation.

The changes build on our reforms to private health insurance, including free upgrades to mental health cover.

This compares with Labor's plan that will drive up the price of premiums by 16 per cent by ripping the rebate off lower cost policies.

Modelling by Deloitte shows Labor's plan to scrap lower-cost policies would result in a 16 per cent increase in private health insurance premiums for millions of Australians.

The Morrison Government is committed to supporting the 13 million Australians that have taken out private health insurance – and that's why we're investing around \$6.4 billion a year in the rebate.

Our package of real reforms has delivered the lowest annual premium change in 17 years, far lower than every year under the Rudd and Gillard governments.

We understand every single dollar matters, that's why our policies are focused on lower premiums and a system which is easier to understand.

We're committed to private health insurance. Bill Shorten just wants to dismantle it and deprive Australians of the medical treatment they want and deserve.

(ENDS)

Authorised by Greg Hunt MP, Liberal Party of Australia, Somerville, Victoria.