



## **The Hon. Greg Hunt MP**

Minister for Health

Minister for Sport

### **MEDIA RELEASE**

13 October 2017

#### **Major reforms to make private health insurance simpler and more affordable**

The Turnbull Government is today announcing a wide ranging package of reforms to make private health insurance simpler and more affordable for Australians.

We know that every dollar matters to Australian families and these reforms will get better value for families and make policies easier to understand.

Private health insurance is an essential and valuable part of the Australia's health system.

We are encouraging younger Australians to take up private health insurance by allowing insurers 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.

People with hospital insurance that does not offer full cover for mental health treatment will be able to upgrade their cover and access mental health services without a waiting period on a once-off basis. This will significantly enhance the value of private health insurance for young people.

To support Australians in regional and rural areas, insurers will be able to offer travel and accommodation benefits for people in regional and rural areas that need to travel for treatment.

We're helping to reduce rising costs for health insurers – which would otherwise be passed on through higher premiums.

To achieve this, we have entered into an agreement with the Medical Technology Association of Australia to lower the price of implanted medical devices from 1 February next year. This will have immediate benefits for consumers in the form of lower premiums from April.

We know that many people would like to be able to select a higher excess in exchange for lower premiums.

That's why we will increase the maximum excess consumers can choose under their health insurance policies for the first time since 2001. This will allow many consumers to reduce their premium increase in 2019.

And we know that many people find private health insurance confusing. We will act to simplify private health insurance by requiring insurers to categorise products as gold/silver/bronze/basic, and use standardised definitions for treatments to make it clear what is and isn't covered in their policies.

The privatehealth.gov.au website will be upgraded to make it easier to compare insurance products, and insurers will be able to provide personalised information to consumers on their product every year.

We're also boosting the powers of the Private Health Insurance Ombudsman and increasing its resources to ensure consumer complaints are resolved clearly and quickly.

After consultation with the private health insurance and medical sector, the Government has agreed to stop insurers from offering benefits for a range of natural therapies, such as Bowen therapy or Rolfing.

The Turnbull Government is committed to private health insurance and we're committed to supporting the more than 13 million Australians that have taken out cover.

We are investing around \$6 billion every year in the private health insurance rebate to help keep premiums affordable.

By contrast, Labor hates private health insurance and has already confirmed that they will cut the rebate. This will hurt millions of Australian families.

In Government, Labor cut \$4 billion from the private health insurance rebate and means tested it. And now they've confirmed they want to do it again.

The Turnbull Government is committed to improving private health insurance into the future, and our reform work will continue.

The Private Health Ministerial Advisory Committee will continue to examine issues such as risk equalisation, and we will work with the medical profession on options to improve the transparency of medical out-of-pocket costs.

Committees will be established to review funding methodologies for rehabilitation care and day-only mental health care to ensure that insurers fund the most efficient models of care.

The second tier default benefit, providing a safety net for consumers attending non-contracted hospitals, will continue, but the administration of eligibility will be transferred to the Department of Health.

Australia's health system is one of the best in the world where every Australian has access to the best doctors, nurses, hospitals and medicines.

It is essential for the health of our nation that we continue to maintain a strong and competitive private health insurance market and I believe these reforms will do just that.

(ENDS)