

Alastair Wilson/MBD/Health
24/05/2011 10:48 AM

To Phillippe Allen/MINISTER/Health

cc

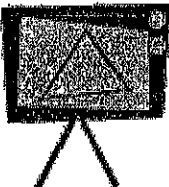
bcc

Subject Fw: PHI Typical Cost Family Correction [SEC=UNCLASSIFIED]

UNCLASSIFIED

Sorry Phillippe, the annual cost is \$3,900 excluding the 30% rebate and \$2,700 including the 30% rebate.

----- Forwarded by Alastair Wilson/MBD/Health on 24/05/2011 10:46 AM -----



Alastair
Wilson/MBD/Health
24/05/2011 10:44
AM

To Phillippe Allen/MINISTER/Health

cc Peter Woodley/MBD/Health@Health_gov_au, Richard
Bartlett/MBD/Health@Health_gov_au

Subject PHI Typical Cost Family [SEC=UNCLASSIFIED]

Dear Phillippe

As requested, for the meeting between the Prime Minister and Mr Windsor, the typical cost for a family is approximately \$3900 annually or \$75 weekly.

This includes the 30% rebate. It is for a combined product including hospital and general treatment, as most people have combined cover. This for two adults and two dependents, but insurers would generally charge the same price if it were only two adults without dependents (ie. couple). However, insurers generally charge single parent families with dependents more than singles without dependents.

Regards,
Alastair

UNCLASSIFIED

Estimate of increased cost to families after 2011 premium round increases with 30% rebate deducted

Products	2008-09	2009-10	2010-11	2011-12	Difference
Actual Prices Including 30% Rebate					
Family/Couple					
Wesley	\$ 44.36	\$ 47.03	\$ 49.75	\$ 52.52	\$ 2.88
Combined	\$ 36.26	\$ 38.44	\$ 40.66	\$ 43.01	\$ 2.35
Hospital	\$ 72.71	\$ 76.48	\$ 80.25	\$ 84.02	\$ 3.77
General	\$ 2,207	\$ 2,445	\$ 2,687	\$ 2,928	\$ 241
Annual	\$ 1,893	\$ 2,114	\$ 2,336	\$ 2,558	\$ 222
Combined	\$ 651	\$ 701	\$ 751	\$ 801	\$ 50
Hospital	\$ 22.15	\$ 23.51	\$ 24.87	\$ 26.23	\$ 1.44
General	\$ 18.13	\$ 19.22	\$ 20.33	\$ 21.50	\$ 1.18
Annual	\$ 6.36	\$ 6.74	\$ 7.13	\$ 7.54	\$ 0.41
Combined	\$ 1,152	\$ 1,223	\$ 1,293	\$ 1,368	\$ 75
Hospital	\$ 943	\$ 988	\$ 1,037	\$ 1,118	\$ 61
General	\$ 531	\$ 560	\$ 571	\$ 592	\$ 21
Full Prices Excluding Rebate					
Family/Couple					
Wesley	\$ 63.97	\$ 68.81	\$ 73.67	\$ 78.53	\$ 4.86
Combined	\$ 51.78	\$ 54.68	\$ 57.58	\$ 60.48	\$ 3.26
Hospital	\$ 104.16	\$ 109.88	\$ 115.60	\$ 121.32	\$ 5.72
General	\$ 3,295	\$ 3,674	\$ 4,053	\$ 4,432	\$ 377
Annual	\$ 2,893	\$ 3,272	\$ 3,651	\$ 4,030	\$ 337
Combined	\$ 945	\$ 988	\$ 1,031	\$ 1,074	\$ 49
Hospital	\$ 31.68	\$ 33.69	\$ 35.69	\$ 37.71	\$ 2.03
General	\$ 25.90	\$ 27.48	\$ 29.04	\$ 30.61	\$ 1.61
Annual	\$ 9.08	\$ 9.63	\$ 10.19	\$ 10.75	\$ 0.57
Combined	\$ 1,643	\$ 1,747	\$ 1,848	\$ 1,950	\$ 102
Hospital	\$ 1,347	\$ 1,428	\$ 1,510	\$ 1,594	\$ 83
General	\$ 472	\$ 501	\$ 530	\$ 569	\$ 29
Premium Increases		2009 Premium Round	2010 Premium Round	2011 Premium Round	
Rebate		\$ 6,024	\$ 6,784	\$ 7,544	
Annual To Wesley Conversion	30%				
	52				

NOTES:
 Average cost of combined family policy in Typical Cost PHU Jan 10 DRAFT file in S:\CO\CD\PHU\Incentive\Detail\Typical Cost Products\Average Cost PHUAC folder
 Average cost of policy calculated using total contribution income for hospital treatment and general treatment policies along with average total SEI's for 2008-09

Private Health Insurance Standard Information Statement - Combined Policy

This Statement provides basic information for the purposes of comparison only. For full explanation of this combined hospital and general treatment policy please contact the health insurer on 13 13 34 or visit <http://www.hcf.com.au>.

HEALTH INSURER: HCF (Hospitals Contribution Fund of Australia Limited) WHO IS COVERED: Two adults & dependant(s)

PRODUCT NAME: TOP PLUS \$450 EXCESS & MULTICOVER

MONTHLY PREMIUM: \$274.80 (indicative only)

AVAILABLE FOR: Residents of NSW & ACT

MEDICARE LEVY SURCHARGE: Exempt

The price shown is monthly premium with the 30% Rebate deducted. It does not include any Lifetime Health Cover loading or factor in any discounts that may be available or higher level of Rebate that may apply.

Hospital Component

The following applies to the hospital component for the TOP PLUS \$450 EXCESS & MULTICOVER policy from HCF (Hospitals Contribution Fund of Australia Limited).

WHAT'S COVERED IF I HAVE TO GO TO HOSPITAL?	<ul style="list-style-type: none"> ✓ Hospital treatment, including accommodation as a private patient in a private or public hospital ✓ Doctors' bills in hospital (see below) ✓ Comprehensive cover for ambulance (see insurer for details) - 1 day waiting period applies
WHAT MEDICAL SERVICES ARE NOT COVERED AT ALL? (Exclusions)	✗ Hospital treatment for which Medicare pays no benefit eg most cosmetic surgery
WHAT MEDICAL SERVICES ARE ONLY COVERED TO A LIMITED EXTENT? (Restrictions, Benefit Limitation Periods)	<p>You are not fully covered for:</p> <ul style="list-style-type: none"> • Surgery by podiatrists <p><i>No benefit limitation periods</i></p>
HOW LONG ARE THE WAITING PERIODS FOR NEW AND UPGRADING MEMBERS?	<ul style="list-style-type: none"> • 2 months for palliative care, rehabilitation and psychiatric treatment • 12 months for treatments relating to other pre-existing ailments • 12 months for obstetric treatments • 2 months for all other treatments
WILL I HAVE TO PAY ANYTHING IF I GO TO HOSPITAL? (Excesses, Co-payments, Medical/Hospital gaps)	<p>EXCESS: You will have to pay an excess of \$450 per admission. This is limited to a maximum of \$450 per person and \$900 per policy per year. Excess payments do not apply to hospital admissions for accidents, dependants or day surgery.</p> <p>EXTRA COST PER DAY (CO-PAYMENTS): No co-payments</p> <p>DOCTORS' AND HOSPITAL BILLS: 9 out of 10 medical services paid for by this health insurer in NSW & ACT have no out-of-pocket expenses. This insurer also has arrangements that may mean lower out-of-pocket expenses on doctors' bills. You may also have to pay other costs depending upon:</p> <ul style="list-style-type: none"> • the doctor(s) chosen • the treatment you are having • the hospital you go to <p>Before you go to hospital, you should ask your doctor, hospital and health insurer about any out-of-pocket costs that may apply to you.</p>
WHAT OTHER FEATURES DOES THIS POLICY HAVE?	HCF's top level of hospital cover with access to the best no-gap medical coverage of any major health fund in mainland Australia. Only minimum benefits are paid at non-participating private hospitals. We're not for profit and return more to members.

General Treatment Component

The following applies to the general treatment component for the **TOP PLUS \$450 EXCESS & MULTICOVER** policy from HCF (Hospitals Contribution Fund of Australia Limited).

PREFERRED SERVICE PROVIDER ARRANGEMENTS: No gap on key diagnostic and preventative services through HCF's dental centres in Sydney and HCF Oral Health Program in VIC, ACT, SA, QLD and regional NSW. Call HCF on 13 13 34 for more information. Service limits apply.

SERVICES	COVER	WAITING PERIOD (MAX MONTHS)	BENEFIT LIMITS (PER 12 MONTHS)	EXAMPLES OF MAXIMUM BENEFITS
DENTAL				
• General dental	*	2	\$550 per person (Sub-limits apply)	Periodic oral examination - \$30.00 Scale & clean - \$57.00 Fluoride treatment - \$23.00
• Major dental	*	12	\$2,220 per person (combined limit for major dental, endodontic & other services - Sub-limits apply)	Surgical tooth extraction - \$120.00 Full crown veneered - \$530.00
• Endodontic	*	12		Filling of one root canal - \$119.00
• Orthodontic	*	12	\$440 per person \$2,640 lifetime limit	Braces for upper & lower teeth, including removal plus fitting of retainer - \$2,440.00
OPTICAL (eg prescribed spectacles / contact lenses)	✓	2	\$220 per person	Single vision lenses & frames - \$177.00 Multi-focal lenses & frames - \$220.00
NON PBS PHARMACEUTICALS	✓	2	\$600 per person	Per prescription - \$50.00
PHYSIOTHERAPY	*	2	\$600 per person	Initial visit - \$40.00 Subsequent visit - \$32.00
CHIROPRACTIC	*	2	\$600 per person	Initial visit - \$30.00 Subsequent visit - \$28.00
PODIATRY	✓	2	\$200 per person	Initial visit - \$33.00 Subsequent visit - \$25.00
PSYCHOLOGY	*	2	\$300 per person	Initial visit - \$75.00 Subsequent visit - \$75.00
ACUPUNCTURE	✓	2	\$200 per person	Initial visit - \$28.00 Subsequent visit - \$17.00
NATUROPATHY	✓	2	\$200 per person (combined limit for naturopathy, remedial massage & other services)	Initial visit - \$28.00 Subsequent visit - \$17.00
REMEDIAL MASSAGE	✓	2		Initial visit - \$28.00 Subsequent visit - \$17.00
HEARING AIDS	*	24	\$600 per person 1 appliance(s) every 5 years	Per hearing aid - \$1,600.00
BLOOD GLUCOSE MONITORS	*	12	\$500 per person 1 appliance(s) every 3 years (combined limit for blood glucose monitors & other services)	Per monitor - \$150.00
AMBULANCE	✓			See hospital policy information

* General dental includes dental check-ups which have service limits not in annual limit. Endodontic, periodontic & oral surgery have a combined limit of \$500. Crowns & bridges - \$800 limit & Dentures -\$800 every 3 yrs. The orthodontics limit increases annually to lifetime limit shown in 5 yrs (specialist only). Lower limits apply for general dentist services. Lower benefits apply for physio, chiro & osteo after the 12th visit. Psychology benefits paid after Medicare entitlements exhausted.

HEALTH CARE PROGRAMS AND OTHER FEATURES: A top level of extras that includes other therapies not listed & a Health Mngt Program limit of \$150 per person/\$300 per family policy. Physio & chiro limits increase by \$120 a year till they reach \$1200. Sub-limits apply to chiro/osteop. Hearing aid limits increase from \$600 to \$1600 based on tenure

Private Health Insurance Standard Information Statement - Combined Policy

This Statement provides basic information for the purposes of comparison only. For full explanation of this combined hospital and general treatment policy please contact the health insurer on 13 29 39 or visit <http://www.australianunity.com.au>.

HEALTH INSURER: **Australian Unity Health Limited**

WHO IS COVERED: **Two adults & dependant(s)**

PRODUCT NAME: **LifeChoice Plus with \$500 excess (LPJ)**

MONTHLY PREMIUM: **\$364.90** (indicative only)

AVAILABLE FOR: **Residents of NSW & ACT**

MEDICARE LEVY SURCHARGE: **Exempt**

The price shown is monthly premium with the 30% Rebate deducted. It does not include any Lifetime Health Cover loading or factor in any discounts that may be available or higher level of Rebate that may apply.

Hospital Component

The following applies to the hospital component for the LifeChoice Plus with \$500 excess (LPJ) policy from Australian Unity Health Limited.

WHAT'S COVERED IF I HAVE TO GO TO HOSPITAL?	<ul style="list-style-type: none"> ✓ Hospital treatment, including accommodation, as a private patient in a private or public hospital ✓ Doctors' bills in hospital (see below) ✓ Comprehensive cover for ambulance (see insurer for details) - 0 day waiting period applies
WHAT MEDICAL SERVICES ARE NOT COVERED AT ALL? (Exclusions)	<i>No exclusions</i>
WHAT MEDICAL SERVICES ARE ONLY COVERED TO A LIMITED EXTENT? (Restrictions, Benefit Limitation Periods)	<p>You are not fully covered for:</p> <ul style="list-style-type: none"> • Surgery by podiatrists - partly covered (see insurer for details) • Hospital treatment for which Medicare pays no benefit eg most cosmetic surgery <p><i>No benefit limitation periods</i></p>
HOW LONG ARE THE WAITING PERIODS FOR NEW AND UPGRADING MEMBERS?	<ul style="list-style-type: none"> • 2 months for palliative care, rehabilitation and psychiatric treatment • 12 months for treatments relating to other pre-existing ailments • 12 months for obstetric treatments • 0 months for all other treatments
WILL I HAVE TO PAY ANYTHING IF I GO TO HOSPITAL? (Excesses, Co-payments, Medical/Hospital gaps)	<p>EXCESS: You will have to pay an excess of \$500 per admission. This is limited to a maximum of \$1000 per year.</p> <p>EXTRA COST PER DAY (CO-PAYMENTS): No co-payments</p> <p>DOCTORS' AND HOSPITAL BILLS: 8 out of 10 medical services paid for by this health insurer in NSW & ACT have no out-of-pocket expenses. This insurer also has arrangements that may mean lower out-of-pocket expenses on doctors' bills. You may also have to pay other costs depending upon:</p> <ul style="list-style-type: none"> • the doctor(s) chosen • the treatment you are having • the hospital you go to <p>Before you go to hospital, you should ask your doctor, hospital and health insurer about any out-of-pocket costs that may apply to you.</p>
WHAT OTHER FEATURES DOES THIS POLICY HAVE?	80% benefit on State Ambulance yearly subscription per membership. Or for non-subscribers, 100% covered for emergency ambulance transportation for admission or treatment at a hospital. The account must be coded as emergency transportation by the ambulance service to qualify for benefits.

General Treatment Component

The following applies to the general treatment component for the LifeChoice Plus with \$500 excess (LPJ) policy from Australian Unity Health Limited.

PREFERRED SERVICE PROVIDER ARRANGEMENTS: Receive no out-of-pocket cost for selected general examinations and preventative treatments at Australian Unity No Gap Dental Centres				
SERVICES	COVER	WAITING PERIOD (MAX MONTHS)	BENEFIT LIMITS (PER 12 MONTHS)	EXAMPLES OF MAXIMUM BENEFITS
DENTAL				
• General dental	✓	None	No annual limit (no limit on preventative dental)	Periodic oral examination - \$37.00 Scale & clean - \$72.00 Fluoride treatment - \$33.00 Surgical tooth extraction - \$175.00
• Major dental	✓	12	\$1,500 per person	Full crown veneered - \$1,150.00
• Endodontic	✓	None	\$500 per person (combined limit for endodontic & other services)	Filling of one root canal - \$197.00
• Orthodontic	✓	12	\$1,000 per person \$2,800 lifetime limit	Braces for upper & lower teeth, including removal plus fitting of retainer - 80% of charge
OPTICAL (eg prescribed spectacles / contact lenses)	✓	6	\$300 per person	Single vision lenses & frames - 80% of charge Multi-focal lenses & frames - 80% of charge
NON PBS PHARMACEUTICALS	✓	None	\$500 per person	Per prescription - 80% of charge
PHYSIOTHERAPY	✓	None	\$800 per person (combined limit for physiotherapy, chiropractic, podiatry & other services)	Initial visit - 80% of charge Subsequent visit - 80% of charge
CHIROPRACTIC	✓	None		Initial visit - 80% of charge Subsequent visit - 80% of charge
PODIATRY	✓	None		Initial visit - 80% of charge Subsequent visit - 80% of charge
PSYCHOLOGY	✓	None	\$400 per person up to \$800 per policy	Initial visit - 80% of charge Subsequent visit - 80% of charge
ACUPUNCTURE	✓	None	\$600 per person (combined limit for acupuncture, naturopathy, remedial massage & other services)	Initial visit - \$30.00 Subsequent visit - \$30.00
NATUROPATHY	✓	None		Initial visit - \$30.00 Subsequent visit - \$30.00
REMEDIAL MASSAGE	✓	None		Initial visit - \$30.00 Subsequent visit - \$30.00
HEARING AIDS	✓	12	\$700 per person 1 appliance(s) every 3 years (Sub-limits apply)	Per hearing aid - 80% of charge
BLOOD GLUCOSE MONITORS	✓	12	\$500 per person 1 appliance(s) every 2 years (combined limit for blood glucose monitors & other services)	Per monitor - 80% of charge
AMBULANCE	✓			See hospital policy information

HEALTH CARE PROGRAMS AND OTHER FEATURES: With LifeChoice Plus you can enjoy generous benefits on a wide range of natural and preventative therapies and more traditional services, from dental and optical to aromatherapy and shiatsu, plus our health management services. Plus we offer benefits on your vitamins, supplements and remedies.