



Private health insurance reforms: Supporting mental health

Changes were introduced on 1 April 2018 to improve patient access to mental health and drug and alcohol treatment services

- The Government introduced changes to make it easier for policy holders to access mental health services and drug and alcohol treatment when they need it.
- Patients with limited cover for psychiatric care are able to upgrade their cover to access higher benefits for in-hospital treatment without serving a waiting period. Policy holders are only able to use this exemption from the existing two month waiting period once.
- Limits on the number of mental health sessions or treatments a patient can access as a condition of their insurance policy were removed. Limits that were in place typically applied to day programs, electroconvulsive therapy and transcranial magnetic stimulation.
- The enhanced arrangements took effect from 1 April 2018.

Why is this important?

- Private mental health and drug and alcohol treatment services are highly valued by people, particularly younger people. However, most basic and medium level hospital products provide limited cover for these services.
- Patients with these products who require overnight or multi-day care in a private hospital for a serious mental health condition will usually face large out-of-pocket costs. Waiting periods for upgrading cover can prevent patients from accessing timely care.
- The waiting period exemption will make it easier for patients to access care when they most need it, without facing substantial out-of-pocket costs.
- Removing limits on the number of mental health sessions or treatments a patient can access will improve patient access to care.

Who will benefit?

- Patients with basic or medium level hospital cover products will benefit by being able to upgrade their cover and immediately access in-hospital mental health and drug and alcohol treatment services.

What impact will this change have on private health insurance?

These changes are very important for people at risk of mental illness, particularly younger people.