

Health Care. What's it all about?

Public health care, which includes Medicare, is available to all Australians. It provides cover for medical services such as some doctor and specialist consultations and admissions to public hospitals. Medicare also supports the Pharmaceutical Benefits Scheme, making most medicines cheaper than they would normally be.

When you start working and earn over a certain amount, you pay a Medicare Levy to the government to cover you for these public health services.

If you go to a public hospital you will be treated free of charge, by a doctor appointed by the hospital.

Our free public system is great, but it does mean lots of people want to use it at the same time. That means you may have to join a long waiting list for some treatments and you're unlikely to have any choice about when it will happen and which doctor will be treating you.

How does private health insurance help?

Having private health insurance means that you can usually avoid long public waiting lists by being treated in a private hospital. You'll also be able to choose which doctor looks after you.

Private health insurance can also provide you with cover for out-of-hospital 'extras', like ambulance, dental care, optical, physio and a lot more. These extras are not covered by Medicare and can cost a lot if you don't have private health insurance to help you out.

Love a quick recap

There are two different systems:

Public (Medicare and public hospitals)

Private (private health funds and private hospitals/clinics).

What does private hospital cover include?

Hospital stays, surgery, doctor fees and more.

What does extras (sometimes called ancillary) cover include?

Services like dental, physio, optical and more.

Most health fund products are made up of a combination of these things, or they can be taken out separately.

Do I really need both?

Hospital stays and ambulance rides can be super expensive (Peoplecare once paid \$95,000 in medical bills for a 21 year old who had a head injury from a bike accident!).

Having Hospital cover is generally considered more important because you don't know when you might need it.

As for Extras cover, if you go to the dentist regularly, need glasses or contacts, use physio or other health therapies, Extras cover pays for part of the cost. If you play sport, you might use some of these general treatments more often than others.

Everyone's needs and health risks are different so if you're not sure about what is best for you just give us a buzz on 1800 808 700. We love a good chat!

Love a free ride. Staying on your parents' cover.

If your parents have private health insurance, most funds will cover you under their policy until a certain age. This will vary from fund to fund.

It's really great value to stay on your parent's cover for as long as possible so if you are on your parent's policy check out what you're covered for and how long it lasts.

It's important to know when you're no longer covered too.

If you go straight from your parent's cover to your own, there are usually no waiting periods (unless you increase your level of cover).

If you don't go straight to your own cover and take it out later in life, you'll need to reserve your own waiting periods and won't be able to make a claim during that time

Love knowing the rules - Government rules for private health insurance

There are a few government rules that apply to private health insurance and they can be confusing. All health insurance companies have to follow these rules.

In a nutshell, the government encourages us to take up health insurance. It relieves the pressure on public hospitals, so they can focus on emergency treatment. To make it more affordable, they give you a **rebate** on your private health insurance (**it's like a refund**). The rebate amount that you can get depends on your age and how much you earn.

On the flip side, they also make it more expensive if you get hospital cover when you're older by charging you more (called **Lifetime Health Cover**). It's used to encourage you to always be covered.

If you start your private hospital cover before your 31st birthday, you won't have to pay the Lifetime Health Cover loading. But if you get hospital cover when you're

over 31, your rates will be 2% higher for each year that you're over 30. You stop paying this extra charge after 10 continuous years of private hospital cover.

To make it more confusing, the rebate you get can't be used to cover this fee.

If you don't have *any* private health insurance and earn above certain amount each year, the government charges you an additional tax called the **Medicare Surcharge Levy**.

Don't worry, these rules can get a bit complicated and everybody knows that. Your health insurance provider can give you more information.

Boring but necessary disclaimer: This info is only general and mightn't relate to you and your personal circumstances. You can find out lots more info about private health insurance at the Private Health Insurance Ombudsman website (www.privatehealth.gov.au) where you can search for and compare different health insurance products. There are 38 health funds shown on this website and while they may have different policies and benefits, most of the rules are set by the government and are the same for everyone.