WHAT IS PRIVATE HEALTH INSURANCE?

Private health insurance is an optional form of health insurance that can be purchased in addition to Medicare. It refers to that a type of insurance where people pay a fee in return for payment towards health-related costs not covered by Medicare.

WHAT DOES PRIVATE HEALTH INSURANCE COVER?

- Private hospital stays
- General treatment cover (such as dental, physiotherapy and chiropractic)
- Combined cover — both hospital and general treatment cover

WHAT ARE THE INCENTIVES FOR PRIVATE HEALTH INSURANCE?

- Private health insurance rebate (enabling individuals a 30% rebate on their premiums for private health insurance)
- Lifetime Health Cover (People who take up private insurance after the age of 31 pay an extra 2 per cent on their premiums for every year they are over the age of 30)
- The Medicare levy surcharge (People earning more than $90 000 a year pay an extra tax as a Medicare levy surcharge if they do not purchase private health insurance).
ADVANTAGES OF PRIVATE HEALTH INSURANCE
- Enables access to private hospital care
- Allows your choice of doctor while in public or private hospital
- Allows shorter waiting times for some medical procedures (elective surgery)
- Can pay for services such as dental, chiropractic, physiotherapy, optometry and dietetics, which depends on the level of cover purchased.

DISADVANTAGES OF PRIVATE HEALTH INSURANCE
- It can be costly
- It may not cover the whole cost, forcing the individual to pay the remaining
- Qualifying periods apply for some conditions (such as pregnancy and surgeries)
- Policies can be complex to understand and can confuse certain people (especially relating to what is covered and what isn’t)