



# Choosing Private Health Insurance

## Essential Questions

### Coverage/Eligibility

#### Are you covered for the procedures/treatments you want/need?

- Be careful that your insurer will cover you for the services you will need.
- Health insurers have business rules that determine what procedures and treatments you are insured for. Many times these business rules are not disclosed prior to signing up for private health insurance.
- Standard Information Statements (SIS) summarise your general entitlements for private health insurance cover. They will not be specific to your particular level of cover, what pre-existing conditions will not be covered and length of time you have had to hold private health insurance before you are eligible to claim benefits.
- You will not be automatically covered for all procedures and treatments. You need to contact your private health insurer to determine if you are covered for the procedures and treatments you want and need.

If you do not believe you are adequately covered, it is advisable that you seek out health insurance with another health insurance provider.

#### How long will you have to wait before being eligible for rebates on dental services?

- Exercise caution if you think you will have automatic health cover immediately.
- Many funds openly advertise “join now and claim now” and specifically target a younger audience. Yet upon claiming, many members are hit with pre-existing illness clauses excluding liability which are not highlighted in the advertisements nor clearly referred to in private health insurer’s Standard Information Statements (SIS).
- When instant cover is offered over the phone, there is clearly no opportunity to distribute the SIS before the contract is accepted by the contributor.
- Each fund has differing exclusions and different reasoning as to why such exclusions exist making direct comparisons between fund products nearly impossible.

### Choice

#### Can you choose your own dentist?

- Be careful: You may not be able to choose your own dentist and receive the rebates that have been promised to you.

- Any dentist will tell you that continuing treatment with the same dentist is important. Bonds and confidences are developed over time between patient and practitioner that are invaluable.
- Your dentist knows the treatment you have received and knows you.
- Special contractual relationships between a Health Fund and the dentist of their choosing may be beneficial to them but not to you.
- If you cannot be treated by the dentist of your choice then you need to carefully consider the terms of your cover and ask why your insurer says you cannot be seen by your own dentist.
- This restriction by health funds is not in the patient’s dental health interest-think again about the insurer you are choosing if it insists on you seeing their preferred dentist.

### Rebate Levels

#### Does the health fund have the same rebate for dental services regardless of which dentists you choose?

Look carefully at the conditions imposed by the Insurer.

- As all members of a fund will pay identical premiums, eligibility for rebates should also be identical.
- To increase a rebate available to one member who chooses to use a Health fund preferred provider discriminates financially against the member who chooses to maintain a dentist patient relationship that may have existed for years. Your fund should allow you to choose your dentist.
- There is now evidence available that some health funds are using the opportunity of discussing written estimates of costs of treatments with their members to deliberately attempt to redirect patients to the funds’ contracted (preferred provider) dentists.
- This practice is discouraging patients from using their dentist of choice and may compromise the quality of care to be delivered to you.

#### What is the average percentage of rebates for dental services?

#### Is the rebate you will receive worth the premium you pay?

- The table below will show you what percentage you can expect to receive as a rebate for dental services on the fee charged.
- You should compare the percentages for your chosen health fund from year to year.
- Premiums increase yearly and so should the benefits you receive from your health insurer.

You will need to consider if this return on your premium justifies the cover you currently have or are seeking to obtain. If the percentage has remained static or decreased over the years, you should consider

whether to take out insurance cover or take out health insurance with another health insurance provider.

To view a table of the Average Percentage of costs covered by Private Health Funds for Dental Services click [HERE](#).

#### **Are there any treatments with a nil rebate? Which ones?**

- Some funds provide no rebates on legitimate treatments available to you. You should enquire if this is to occur under the cover you are seeking.
- If some funds pay no rebate for some treatments, this would seem to be a tactic adopted by funds to avoid legitimate claims.
- The disparity between fees charged and the rebate paid by the insurer is often large. Usually fees charged by your dentist are within the band of normal. Fees cannot be uniform as some procedures can be more complex than others.
- The ADA regularly receives reports from fund members that the health fund has advised that the reason for the very significant 'gap' between fee charged and rebate received is due to the "ADA setting the fees to be charged". **This statement is completely incorrect.**

### **Complaints**

#### **Are there a large number of complaints against your health fund in the annual Private Health Insurer Ombudsman report?**

- The Private Health Insurance Ombudsman received 2502 complaints during 2008/09, which represented a 5% increase on the 2385 complaints received in 2007/08.
- If there are a large number of complaints against your private health insurer then this should be a cause for concern.
- For tables of complaints for individual health funds click [HERE](#).

#### **How do I make a complaint about my health fund?**

If you have a complaint to make with your private health insurer, you are also strongly advised to duplicate that complaint with the Private Health Insurance Ombudsman.

- You can open a complaint with the Ombudsman, : <http://www.phio.org.au/complaints/make-a-complaint.aspx#CLFStart>
- More information can be found about the Ombudsman at <http://www.phio.org.au>

### **Premium Increases**

#### **By what percentage did your health fund increase its premiums last year? Have your rebates kept pace with your premiums?**

- Generally private health insurance funds are permitted each year by Government to alter the premiums on their policies.
- Sometimes health funds take this opportunity to make changes in specific policy details and coverage, including changes to rebates or annual limits, or in the services covered by the policy/health fund.
- You should check with your health fund.
- You should then see how the premium increase compares with the rebates paid.
- For graphical representation of Average Annual Private Health Insurance Premium increases and CPI click [HERE](#).

### **Recent News**

#### **Is the gap between premiums and rebates increasing for your health fund?**

- The "gap" is the dollar amount between what you pay to your dentist and the rebate you receive from your private health insurer. If this gap increases from year to year then maybe the health fund you have chosen is unsuitable.
- If premiums increase then rebates should keep pace. If they do not, then the health fund is profiting excessively.
- The table below shows how the spread between premiums and rebates is growing. You have to ask yourself, is this cover worth it or am I subsidising something for my fund?
- For graphical representation of the "gap" click [HERE](#).