



Private health insurance reforms: Gold/Silver/Bronze/Basic product tiers

A new system for categorising hospital products will be introduced from 2019

- Hospital products will be simplified for consumers by creating easily understood tiers of cover.
- There will be four tiers of hospital products – Gold, Silver, Bronze and Basic (see attached product tiers table).
- These product tiers will be introduced from 1 April 2019 and insurers have until 1 April 2020 to adopt the tiers for all products. The requirements for each product tier are minimum standards. Insurers will be able to offer additional coverage in Basic, Bronze and Silver tiers. If insurers already provide additional coverage in low and mid-level products, the new categories do not require insurers to reduce that coverage.
- Minimum requirements for each tier of cover are outlined in the *Private Health Insurance (Reforms) Amendment Rules 2018*.

Why is this important?

- Private health insurance is an important issue to many Australians, with 55 per cent of the population covered by some form of private health insurance.
- The Government's consultations revealed that consumers find hospital insurance products complex and difficult to understand.
- Consumers face difficulty in trying to compare private hospital insurance products. They also find it difficult to understand what services different products do, and do not, cover.

Who will benefit?

- The new product tiers will give consumers greater certainty about the services covered by each type of hospital treatment product.
- The changes will make it easier to shop around and compare different hospital treatment products to find one that meets individual needs.
- The changes will particularly benefit women with breast cancer, as all medically necessary breast surgery will be included in all Bronze tier hospital treatment products and above. Women will also have access to gynaecology in these products.

What impact will this change have on private health insurance?

This change is designed to help consumers compare different hospital treatment products more easily and shop around for a better deal.



Hospital Treatment Product Tiers – Gold, Silver, Bronze and Basic

Hospital treatments by clinical category	Basic	Bronze	Silver	Gold
Rehabilitation	✓R	✓R	✓R	✓
Hospital psychiatric services	✓R	✓R	✓R	✓
Palliative care	✓R	✓R	✓R	✓
Brain and nervous system	RCP	✓	✓	✓
Eye (not cataracts)	RCP	✓	✓	✓
Ear, nose and throat	RCP	✓	✓	✓
Tonsils, adenoids and grommets	RCP	✓	✓	✓
Bone, joint and muscle	RCP	✓	✓	✓
Joint reconstructions	RCP	✓	✓	✓
Kidney and bladder	RCP	✓	✓	✓
Male reproductive system	RCP	✓	✓	✓
Digestive system	RCP	✓	✓	✓
Hernia and appendix	RCP	✓	✓	✓
Gastrointestinal endoscopy	RCP	✓	✓	✓
Gynaecology	RCP	✓	✓	✓
Miscarriage and termination of pregnancy	RCP	✓	✓	✓
Chemotherapy, radiotherapy and immunotherapy for cancer	RCP	✓	✓	✓
Pain management	RCP	✓	✓	✓
Skin	RCP	✓	✓	✓
Breast surgery (medically necessary)	RCP	✓	✓	✓
Diabetes management (excluding insulin pumps)	RCP	✓	✓	✓
Heart and vascular system	RCP		✓	✓
Lung and chest	RCP		✓	✓
Blood	RCP		✓	✓
Back, neck and spine	RCP		✓	✓
Plastic and reconstructive surgery (medically necessary)	RCP		✓	✓
Dental surgery	RCP		✓	✓
Podiatric surgery (provided by a registered podiatric surgeon)	RCP		✓	✓
Implantation of hearing devices	RCP		✓	✓
Cataracts	RCP			✓
Joint replacements	RCP			✓
Dialysis for chronic kidney failure	RCP			✓
Pregnancy and birth	RCP			✓
Assisted reproductive services	RCP			✓
Weight loss surgery	RCP			✓
Insulin pumps	RCP			✓
Pain management with device	RCP			✓
Sleep studies	RCP			✓



Indicates the clinical category is a minimum requirement of the product tier. The clinical category must be covered on an unrestricted basis.

RCP

Restricted cover permitted: indicates the clinical category is not a minimum requirement of the product tier. Insurers may choose to offer these as additional clinical categories on a restricted or unrestricted basis.



Indicates the clinical category is a minimum requirement of the product tier. The clinical category may be offered on a restricted cover basis in Basic, Bronze and Silver product tiers only.



A blank cell indicates that the clinical category is not a minimum requirement of the product tier. Insurers may choose to offer these as additional clinical categories; however it must be on an unrestricted basis.