



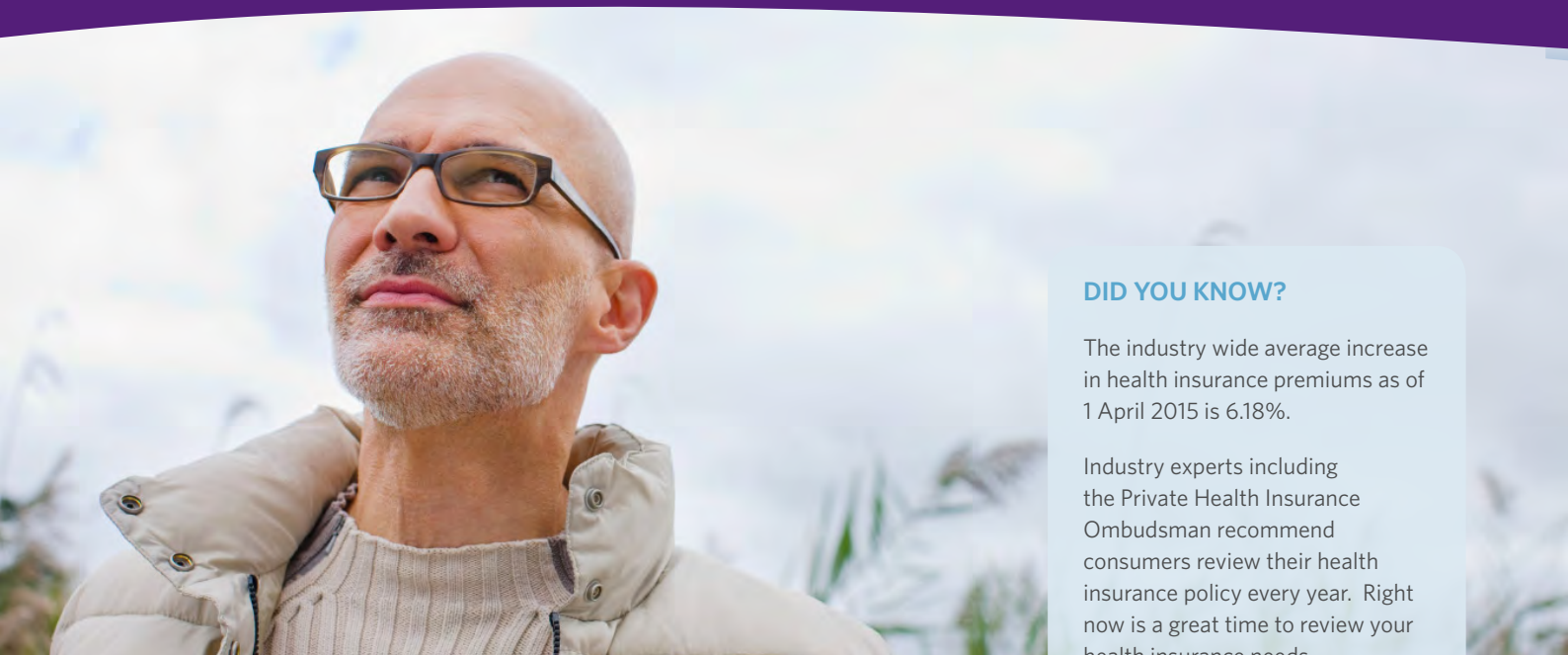
A message from the CEO

The lead up to 1 April is an important time for health insurance consumers. It is at this time that the Federal Health Minister approves 2015 rates for all registered Australian health funds and announces an industry average increase and new rebate levels. This is followed by health funds releasing specific rate increases and changes to policies and benefits.

It is all very complex and confusing for the average consumer and time is of the essence with all changes effective 1 April.

To assist, we have published this special March addition of the HICA Insite newsletter.

As always, if we can assist you in any way - please don't hesitate to contact us for objective, free advice.



DID YOU KNOW?

The industry wide average increase in health insurance premiums as of 1 April 2015 is 6.18%.

Industry experts including the Private Health Insurance Ombudsman recommend consumers review their health insurance policy every year. Right now is a great time to review your health insurance needs.

Health Insurance Consultants Australia (HICA) has been helping people with their health insurance needs for over 30 years. HICA has access to hundreds of policy options including corporate and discounted products that may meet your needs.

Contact HICA on 1300 44 22 01

Premium Increases and Rebate Changes

Effective the 1st of April each year, all Australian health funds are required to implement the Federal Government approved adjustment to the private health insurance Rebate and approved increases to health insurance premiums. This means that not only are your premiums likely to increase, but also the amount of rebate you receive (if any) is likely to slightly reduce.

WHY ARE PREMIUMS INCREASING?

Premium increases occur to ensure that the health funds are able to fulfill their obligations to their members. The rate review process takes into consideration many factors, such as the rise in the cost of health services and products due to growing levels of chronic disease, an ageing population, expensive medical technologies and utilisation rates.

The adjustment in your premiums ensures you can continue to enjoy the range of benefits you currently receive and that health care remains accessible to you and your family.

HOW MUCH HAVE RATES GONE UP BY?

The industry average increase announced by the Federal Government is 6.18%, however, your increase will vary depending on your fund and cover option. Your health fund should write to you in March or before your renewal period to provide you with the details of your new premium amount. If you haven't received a letter from your health fund by late March or before your renewal period, you should contact your health fund.

WHAT IF I HAVE PRE-PAID MY PREMIUMS IN ADVANCE?

Payments received for any period up to and including 31 March 2015 should be calculated at your current premium rate. If your premium is paid in advance, the new contribution rate will take effect from your next payment.

WHAT ARE THE NEW REBATES?

| Rebates Applicable to persons up to Age 65 | | | | |
|--|-----------------|------------------------|------------------------|--------------------|
| Income Brackets | Base Tier | Tier 1 | Tier 2 | Tier 3 |
| Singles | Up to \$90,000 | \$90,001 to \$105,000 | \$105,001 to \$140,000 | \$140,001 and over |
| Families/Couples | Up to \$180,000 | \$180,001 to \$210,000 | \$210,000 to \$280,000 | \$280,001 and over |
| Rebates | 27.820% | 18.547% | 9.273% | 0.000% |

Top tips to get the most from your health insurance dollar

- 1 Don't pay for benefits you don't need:** People's health cover requirements vary depending on their life stage, pre-existing medical conditions and current lifestyle. By sensibly identifying and excluding those benefits and services that you don't require (e.g. maternity cover for empty nesters) - could save you in premiums.
- 2 Look outside the box:** Most people can name only 4 or 5 different health funds – and usually belong to one of these. But there are over 30 health funds in Australia including industry or closed health funds which you may be able to access depending on your employment status. Are you eligible to access policies or discounts not normally available to the general public?
- 3 Try mix and matching:** To get the absolute best value out of your health insurance consider mixing your policies. Sure most health funds will try and get you to have your hospital and extras cover with the same company, but in many cases it can work out better (higher benefits and premium savings) if you get policies from separate funds.
- 4 Consider an excess:** Simply put if you choose an excess on your hospital cover, that means you have agreed to pay part of the bill if you go into hospital. By doing this your health fund will give you lower premiums.
- 5 Lock in premiums and rebate before 1 April*:** Reviewing your cover in February - March and paying premiums annually is a savvy move. By doing so you can lock in current premium and rebate levels each year for the ensuing 12 months.



*Time is of the essence as payment processing times for health funds vary. You should note that 'locking in your premium' does not mean that funds cannot make changes in specific policy details and coverage; including annual limits, or in the services covered by the policy/health fund. Should this occur we can easily cancel the policy with no loss of premium and place the appropriate one elsewhere.



**Review your health cover today.
Call a HICA consultant on 1300 732 757.**

For any questions about the Federal Government rebate or the Medicare Levy Surcharge in relation to your tax return, contact the Tax Office on 13 28 61.