New health insurance tiers a win for consumers…but we’re only half-way there

Today’s changes to private health insurance, which deliver four new simplified tiers of cover (Gold, Silver, Bronze and Basic) is a win for consumers, says the Australian Society of Ophthalmologists (ASO).

ASO President Dr Peter Sumich said the new four-tier system should provide a necessary boost to competition among insurers and exert downward pressure on policy fees.

“The value of private health cover in Australia has been deteriorating for some time now,” Dr Sumich said.

“It has not been delivering good value to consumers and that needed to change,” Dr Sumich said.

“We congratulate Federal Health Minister Greg Hunt on the diligent work he and his Department have done so far on reforming private health insurance for Australians.”

While acknowledging the Minister’s progress, the ASO remains mindful that full reform of the industry is still a way off.

“While the work done to-date is substantial, we are only half way there,” Dr Sumich said.

“Additional focus now needs to be given to gap policy reform in order to really help patients with out-of-pocket expenses,” he said.

Dr Sumich said gap policy reforms will need to address the following:

- differential rebating;
- copayment plans which have not been indexed for 20 years, and;
- poor indexation of private rebates.

“Each of these factors contribute significantly to a patient’s out-of-pocket expenses and must be addressed,” Dr Sumich said.

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