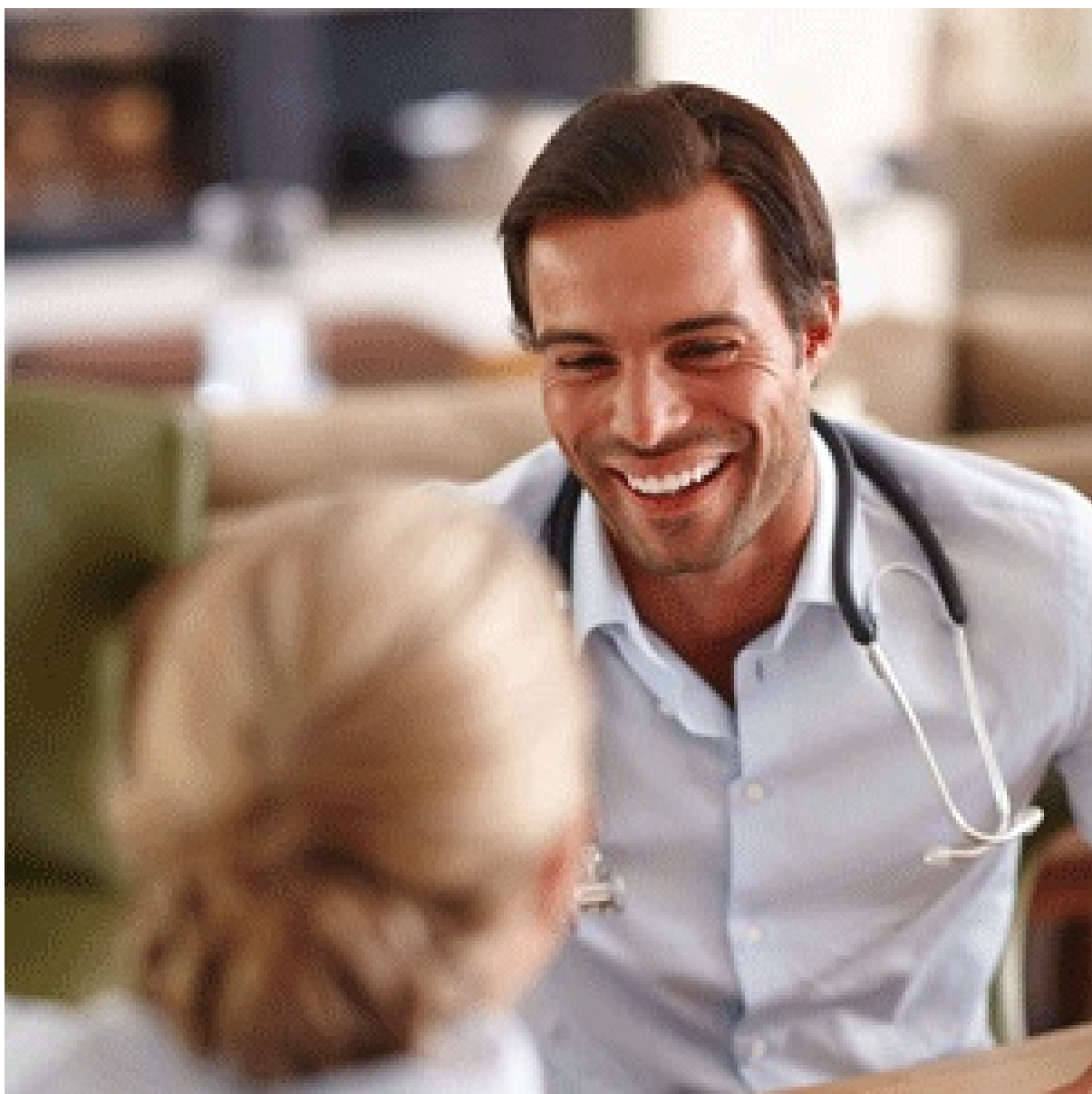


Selecting the Best Private Health Hospital Cover for You



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The first thing you need to consider when choosing the right cover is to ensure it is tailored to your needs.

Many health insurers now make it easier by compartmentalising their policies to help guide their customers – some funds separate policies into single, couple, family or single parent or into levels, eg bronze, silver and gold that have escalating levels of cover.

Most people are eligible for some form of rebate from the Government so it helps to do a bit of research and comparisons before settling on the right one.

Questions to help you tailor your cover

Do you need couples' cover?

The rebate thresholds are different for singles compared to couples. If one of you earns or works less than the other, then it may be more cost effective to get cover together. Couples earning under \$240,000 pa and singles earning under \$140,000 pa can receive a rebate. For example, a single person earning \$150,000 pa may not be eligible for a rebate if they apply alone but if their partner earns \$60,000 pa then they are well under the \$280,000 cap for couples/families.

Do you have children?

Some funds will only take into account both you and your partner and the fact you have at least one child in calculating the cost of your cover. For these funds, it doesn't matter whether you have one, two, three or even more children.

Be mindful that some family cover excludes pregnancy so if you are thinking of more children then it's worth checking this is included.

Dependants are usually defined as unmarried individuals under the age of 18 but some policies will also extend to children living at home who are aged 18-24 years.

Do you earn over \$90,000 or is your couple/family income over \$180,000 pa?

The Medicare levy is 1% to 1.5% of your gross income and is payable if you do not have private health insurance. The surcharge is an additional cost on top of the Medicare levy of 2%. Given 1% of \$90,000 is \$900 and there are private health insurance policies available for less than \$900 a year (or \$75/month), it makes financial sense to buy health insurance and avoid this tax penalty.

The Government specifically put this measure in place to encourage people to acquire health insurance.

Are you over age 50?

Age doesn't factor into the cost of health insurance as much as you might expect. The rebate you can receive from the Government increases from age 65 then again from age 70. If you have never had cover before then you may be subject to the lifetime health cover loading, which is an additional cost that private health insurers are obliged to charge where you did not have private health insurance for every year after you turned 31.

Retirees looking for a lower cost solution sometimes prefer to simply have extras cover and then rely on the public health system for hospital cover, while some consider this approach too risky.

Wear or need glasses?

If you know you will have set costs for seeing the optometrist each year then private health can easily lower these costs. Some people have private health cover almost solely for the optical cover and consider everything else a fringe benefit since they know they'll get something back for their optical cover year on year.

Do you regularly go to the dentist?

Basic check-ups are included in even the most basic extras cover for most funds. So, if you see your dentist regularly you may like to consider extras cover that includes dental.

Do you expect to get pregnant in the next few years?

Not all cover includes pregnancy, even where it may appear obvious (eg family cover or premium cover). Check the policy to ensure this is included. In most cases, this is clearly stated upfront as it is a considerable cost/difference in the policy.

Would you want a private room if you went to

hospital?

With private health cover you can include cover and a guarantee you'll get your own room. In some cases there is financial compensation if you don't receive your own room (eg \$100 a day for each day you are not in your own room).

Do you or your children require speech therapy?

Speech disorders are likely to be obvious from a young age rather than manifest during adulthood. Many health funds provide some cover for speech therapy so if this is something you expect your children to require then you can elect extras cover that includes this.

Do you see a physio/chiro/masseur regularly?

For any regular treatment with allied health professionals you can claim a portion back using your extras cover. If you use any of these commonly available health services, then extras cover may be very helpful to help to you keep costs down during times when you use them more frequently or simply to reduce costs over the course of a year. If you never use these services then premium extras cover may not be as suitable as a lower cover.

Do you have any pre-existing conditions you seek treatment for?

Even though private health cover may exclude pre-existing conditions, you can still get cover for extras to claim back partial costs for ongoing treatment with a physio, chiro etc. If you know you will need a certain type of treatment (eg podiatry, physio etc) then selecting cover to suit may be a smart move that will save you cash in the long term.

Do you expect yourself, your partner or children to need orthodontic work in the future?

Major dental work is most likely to be included in premium extras cover. If you anticipate or simply want cover for things such as crowns, bridgework, dentures or removal of wisdom teeth then adding some extras cover may be a good financial move as well as peace of mind.

Do you anticipate having joint problems later in life?

Hip and knee surgery are fairly common procedures nowadays and if you think that years of sport or family history may make you more prone to deterioration in these joints then planning ahead to ensure your health insurance covers this may benefit you. Hip replacement surgery can cost upwards of \$25,000 per hip and it's likely there will be expenses not covered by private health or Medicare such as pathology.

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