



MEMBER FAQs

2020 Rate Review – Frequently Asked Questions

Why are my contribution rates increasing?

Like many Australian health funds, as a response to the COVID-19 pandemic we postponed the annual rate increase that was meant to come into effect on 1 April 2020, until 1 October 2020.

We did this to help you maintain your cover during this difficult time. We also implemented additional measures through our COVID-19 support package to ensure you were able to access essential health services throughout the pandemic.

We have carefully considered the decision to proceed with this year's contribution changes and we appreciate that this may be difficult for some, particularly in the current climate.

The main reason for the increase is because the costs of healthcare continue to rise. Our responsibility is to ensure we can continue to pay claims on behalf of all our members when they require treatment or hospitalisation.

With healthcare treatment now returning to more normal levels of activity, contribution changes are required to ensure our members can continue to use their health cover now and in the future.

How much have rates gone up by?

The increase will vary depending on your cover option. We'll be writing to you in September or before your renewal period to provide you with the details of your new contribution amount.

When is the rate adjustment effective from?

The 2020 rates will apply from 1 October 2020, if your plan renews at this time of the year. Payments received for any period up to and including 1 October 2020 will be calculated at your current contribution rate. However, when the pricing change applies to you will depend on your plan's renewal date.

What if I have pre-paid my contributions in advance?

If your membership is paid in advance, the new contribution rate will take effect from your next payment date from 1 October 2020.

I pay my GU Health contributions via payroll deductions. Do I need to notify my pay office?

If you are paying via payroll deduction, we will advise your payroll department of any changes to your membership contribution.

I've received a letter about my rates increasing but the details are incorrect.

The information in the letter we sent to you is based on the membership details we had on record for you as at 24 August 2020. Any membership changes that were made after this date aren't shown in the letter. If you would like to confirm your current details, visit your Online Member Services on our website: guhealth.com.au.

Are you going to be raising rates again this year?

The Federal Government only approves Private Health Insurance pricing changes once each year. In years not affected by the 2020 COVID-19 pandemic, the pricing changes are effective from 1 April. This year the rate is effective from 1 October 2020, however when this applies to you will depend on your plan's renewal date.

Are other funds implementing a rate change?

Yes, most health funds after postponing the annual 1 April 2020 review will now apply the changes to contributions from 1 October 2020. The timing of your contribution increase may depend on when your plan started.

You can view the average fund increase on the Department of Health's website: health.gov.au.

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2020 RATE REVIEW

Frequently Asked Questions ...continued

Why should I keep my health cover?

Private health insurance will continue to:

- provide you with your choice of hospital and accommodation, as long the hospital is one of our partner private hospitals
- allow you to choose the doctor who treats you
- enable shorter waiting times for many elective surgery procedures in private hospitals vs. public hospitals
- offset the expense of dental and other extras if you have extras cover.

You could also be exempt from the Medicare Levy Surcharge (if it applies to you), if you have a compliant hospital cover for yourself and all your dependants.

Disclaimer: If your income is over \$90,000 for singles/\$180,000 for couples/families, and you take out and maintain Hospital cover for the full financial year, you could avoid paying an extra 1 per cent to 1.5 per cent in tax via the Medicare Levy Surcharge (MLS). Visit the [Australian Tax Office](#) website for specific rules for calculating income for MLS purposes.

Why is my plan increase different to the average nib increase on the Department of Health's website?

The Department of Health only publishes an average contribution increase for the fund which is an average of all of the fund's plans. The increase applied to each plan varies based on a variety of factors. These include the plan you are on, the amount of claims we have paid in the past and the projected future claims.

Why is there a change to my Rebate even though the Federal Government postponed the 1 April 2020 adjustment until 1 April 2021?

The amount of your Australian Government Rebate on Private Health Insurance will change because the 2019 Rebate has been applied to your new rate.

The Department of Health includes information on how the Rebate is calculated on their website: [health.gov.au](#), alternatively, you can FreeCall them on: **1800 020 103**.

The income thresholds will also help you to determine your Rebate entitlement, which will still be dependent on your age and income.

See the income threshold table below:

Income thresholds effective from 1 April 2019 to 30 June 2021

Income Tiers				
	Base Tier	Tier 1	Tier 2	Tier 3
Singles	<\$90,000	\$90,001 – \$105,000	\$105,001 – \$140,000	>\$140,001
Couples/Families	<\$180,000	\$180,001 – \$210,000	\$210,001 – \$280,000	>\$280,001
Rebate % by age group effective from 1 April 2019 to 31 March 2021				
Aged under 65	25.059%	16.706%	8.352%	0.000%
Aged 65 to 69	29.236%	20.883%	12.529%	0.000%
Aged 70+	33.413%	25.059%	16.706%	0.000%

Note: Single parents and couples (including de facto couples) are subject to the family tiers. For families with children, the thresholds are increased by \$1,500 for each child after the first. Rebate levels are adjusted annually on 1 April based on the Rebate Adjustment Factor.

For more information go to our website: [guhealth.com.au](#), click on 'My membership', scroll down to 'Non-resident information' and click on 'Access to Medicare'.

We're here to help

If you have any questions about your cover, please email: corporate@guhealth.com.au or contact your Member Relations Team on: **1800 249 966** between 8.30am to 5pm (AEST), Monday to Friday ●

