



# 2016 RATE REVIEW FREQUENTLY ASKED QUESTIONS

## 1. Why are my contribution rates increasing?

The Health Minister recently approved 2016 rates for all registered Australian health funds.

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 and expensive medical technologies.

The adjustment in your membership contributions will help us to ensure you that you can continue to enjoy the range of benefits you currently receive and that healthcare remains accessible to you and your family.

## 2. How much have rates gone up by?

The increase will vary depending on your cover option. We'll be writing to you in March or before your renewal period to provide you with the details of your new contribution amount. If you haven't received a letter from us by late March or before your renewal period, please contact your Member Relations Team.

## 3. When is the rate adjustment effective from?

The 2016 rates will apply from 1 April 2016, if your plan renews at this time of the year. Payments received for any period up to and including 31 March 2016 will be calculated at your current contribution rate.

Please keep in mind that this increase in your contributions is different to the rate adjustment due to the government's change to the rebate.

## 4. 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.

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

If you're paying via payroll deduction, we'll let your payroll department know of any changes to your membership contributions.

## 6. 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 your membership details we had for you on 2 March 2016. Any membership changes that were made after this date aren't shown in the letter. If you would like to confirm your current details, please contact us.

## 7. I've received a letter about my rates increasing, which specifies a certain amount, but I'm not sure what payment frequency it's for?

The letter should include the frequency that applies to your membership. For example, if you currently pay monthly, then a monthly contribution will be shown in the letter.

## 8. Are you going to be raising rates again?

The Federal Government reviews private health insurance pricing each year. The pricing changes come into effect from 1 April.

You can be assured that when we review membership costs every year, we consider the financial impact this may have on you and try to minimise any major increases.

Please keep in mind that any legislative changes related to private health insurance may also affect your membership contributions, such as the annual rebate adjustment.

We'll always let you know if and when changes occur.

# 2016 RATE REVIEW FREQUENTLY ASKED QUESTIONS *continued...*

## 9. Are other funds implementing a rate change?

All funds are reviewing their rates. You can view the average fund increase on the Department of Health website [health.gov.au](http://health.gov.au)

## 10. Why should I keep my health cover?

Private health insurance will continue to:

- provide you with your choice of hospital and accommodation
- allow you and your doctor to plan your treatment
- enable shorter waiting times for elective surgery
- offset the expense of dental and other extras if you have extras cover
- enable you to apply for exemption from the Medicare Levy Surcharge (if it applies to you), if you have a compliant hospital cover for yourself and all your dependants.

Private health cover gives you security, peace of mind, confidence, choice and the convenience of selecting when and where you're treated.

## 11. Why does the Department of Health say that GU Health's average increase is 4.26 per cent?

The government calculates the average increase using a complex formula. You can find more information about how the calculation works at [health.gov.au](http://health.gov.au).

Your individual increase will depend on your cover option.

## 12. I've heard the rebate I'm currently entitled to will be adjusted on 1 April 2016. Can you tell me why?

On 1 April each year, the Federal Government adjusts the Australian Government Rebate on Private Health Insurance, and all Australian health funds are required to implement this change. This means that the amount of rebate you receive (if any) is likely to slightly decrease.

The Department of Health includes information on how the rebate is calculated on their website, [health.gov.au](http://health.gov.au). Alternatively, you can contact the Department of Health on **1800 020 103**.

The income thresholds that are reviewed and announced by the Australian Taxation Office on 1 July each year will also help you to determine your rebate entitlement, which will still be dependent on your age and income. Visit [ato.gov.au](http://ato.gov.au) or [guhealth.com.au](http://guhealth.com.au) to view the most recent income threshold tables.

## 13. Will my contributions increase as a result of the rebate change?

If you claim your rebate as an up-front reduction in your GU Health contributions, you'll see a slight increase in your contributions from 1 April as a result of the adjustment.

If you're not claiming the Australian Government Rebate on Private Health Insurance as an up-front reduction in your membership contributions, you won't experience an increase in your contributions

due to rebate changes. However, if you apply for a rebate at tax time, the Australian Taxation Office will determine your rebate entitlement, if any.

## 14. Will I receive a letter outlining my new rebate amount?

If your plan renews on 1 April, you'll receive a letter from us detailing your new rebate amount. This letter is due to reach you by mid March 2016.

If your health plan renews on another date, and you're affected by the rebate changes, you'll also receive a letter in March.

### You'll receive a letter if you claim the rebate on your membership and are:

- on a voluntary plan and responsible for the cost of your cover
- on a corporate plan where your contributions are shared between you and your employer.

### You'll not receive a letter relating to rebate adjustment if you:

- don't claim the rebate
- are on rebate Tier 3
- are on a fully-funded plan with contributions covered by your employer
- are on an overseas visitors plan and you're not from a country that has a Reciprocal Health Care Agreement (RHCA) with Australia. For more information go to '[Non-resident information](#)' and click on 'Access to Medicare'.

## 15. Is this change only applicable to GU Health? What about other health funds?

Changes to the way the rebate is calculated is based on Federal Government legislation and implemented by the Department of Health. All registered health funds in Australia must comply with the Department of Health's instructions on how and when to implement the change. ●

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

