



Private Mental Health Consumer Carer Network (Australia)

engage, empower, enable choice in private mental health

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Private Health Insurance Consultations 2015-16

The *Private Mental Health Consumer Carer Network (Australia)* (hereafter Network) represents Australians who have private health insurance and/or who receive their treatment and care, and those that care for them, from private sector settings for their *mental illnesses or disorders*. As our title implies, the Network is the authoritative voice for consumers and carers of private mental health settings including those services provided by psychiatrists and other professionals in private practice.

The Network is committed to working with the Australian Government in addressing the needs of people with a mental illness and we bring a mental health consumer and carer perspective. Mental health brings with it many challenges. As a consumer and carer organisation we are in a position to provide direct 'lived' experiences and would welcome the opportunity to engage in further discussions.

There have been some ongoing concerns about some health fund policies in terms of complexity, what is and what is not covered, waiting periods for existing mental illness, etc. One of the areas that has been highlighted is the practice of some brokers (eg iSelect and others) who offer health insurance policies.

The Network has also had some interactions with the Royal Australian and New Zealand College of Psychiatrists (RANZCP) who have also raised some concerns. There is a clear need for better information and communication by private health insurance companies to consumers about whether they are covered for psychiatric care and the extent of inclusions and exclusions on their policies. There is a view by RANZCP Fellows that there is insufficient transparency and consistency regarding the features of private health insurance policies for psychiatric care to enable consumer to make informed decisions about their health care.

These include.

- Many consumers have difficulty in accessing accurate and complete information about their private health insurance policies and are not fully informed about the extent of exclusions in their insurance coverage for psychiatric care.

- For some people who have private health insurance it comes as a surprise to learn that their insurance does not cover psychiatric admission. This then necessitates referral to the public system.
- Some health funds do not make it clear what is not covered under their private health insurance policies in terms of psychiatric care.
- Some funds do not pay a full rebate for psychiatric readmissions within days of a previous admission and most people are not aware of this limitation.
- Health funds cover day admission programs however there is confusion by consumers as to what kind of day programs and the number of sessions are covered under their policies.
- Consumers are not always informed that they cannot access outreach and day programs simultaneously.
- Some insurance funds do not explain that their psychiatric cover is capped. An example of this is that many consumers do not realise that their health fund only covers a limited number of ECT treatments per year.
- Less than half of all policies currently offered by major insurers cover the cost of an admission to private psychiatric hospitals.
- Some insurers have recently moved psychiatric treatment from full benefits to restricted benefits on some of their policies.
- Consumers have limited ability to compare policies particularly as they pertain to psychiatric care.

The Network is aware of the work of the Private Health Insurance Ombudsman (PHIO) and a review of the complaints by consumers of the major health insurers seems to qualify our concerns. We are also aware that the Private Health Insurance Ombudsman pays particular regard to correct and prudent information and has recently sought and received changes about long-term mis-information on the iSelect website about the coverage of pre-existing mental health conditions by their insurers. We also refer our members to the Government's website of: <http://www.privatehealth.gov.au/> which provides good information about health fund policies.

The Network also believes there is some misunderstanding or lack of transparency and sent out our monthly eNews Alert to our approximately 1,000 members highlighting the following:

- 2 month waiting period only for any pre-existing psychiatric disorders.
- know what the content of your health insurance policy is, what you are covered for or not, what level of cover you have, if you have any excess payments to make, what any out of pocket expenses might be and make necessary enquiries if you are confused.
- If transferring to another fund, be sure that the level of cover is the same.

- When you purchase or change your health insurance, it is always worth a phone call to the insurance company to review the policy to ensure you are aware of all the limits, restrictions and co-payments, just so you fully understand.
- This particularly applies if you source your health insurance through a broker.

Whilst this Submission relates particularly to psychiatry, the Network is aware that health insurance funds **do not** cover things such as radiotherapy or renal dialysis undertaken in the private sector even if people are on the highest table for their insurance. This has grave concerns for the Network as it affects many people who need specialised treatment in order to maximise their life expectancy.

Thank you for the opportunity of providing this Submission into the Consultation. I would be very happy to further discuss these issues with you and can be contacted on: Telephone: 1300 620 042 or email on jmcmahon@senet.com.au

Janne McMahon OAM
Chair and Executive Officer
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