

# Mental Health Treatment and Private Health Insurance

## What you need to know for Private hospital insurance for psychiatric services

To be covered as a private patient for psychiatric treatment or drug and alcohol rehabilitation, you can purchase a private hospital policy. Private hospital insurance covers the cost of hospital accommodation and a portion of the medical fees.

A hospital admission may be for an extended period but it can also be overnight or for a day admission only (where you are treated and discharged on the same day).

### Waiting Periods



Unlike other pre-existing conditions, which normally require you to complete 12 months of membership before you can be covered for a hospital admission, psychiatric services and drug and alcohol rehabilitation only require a **2 month waiting period**, even if the condition is pre-existing.

**This means you can be covered 2 months after commencing a policy.**

In some cases, you may be able to obtain an exemption from this waiting period. See below for further information.

### Waiting period exemption for higher benefits

If you are on a hospital policy which provides restricted benefits for psychiatric care, then to access higher benefits you usually upgrade and complete a two month waiting period.

However, from 1 April 2018, you can upgrade without having to serve this waiting period to access higher benefits for psychiatric care in a private hospital.

This exemption applies only once per lifetime and can only be accessed if you have already completed an initial two months of membership on any level of hospital cover.

For more information about accessing the exemption, please contact your health fund. For general information about the exemption, see the Department of Health website: [Supporting mental health – waiting period exemption for higher benefits](#)

### What services are included under the exemption?

This exemption applies to psychiatric care provided to a person as hospital or hospital substitute treatment. The exemption applies to mental health services and drug and alcohol treatment.

Brisbane Waters  
Private Hospital



## **When do I need to upgrade my cover?**

You can upgrade your cover and receive the waiting period exemption at any time.

Generally, eligibility for higher benefits will apply from the time of the upgrade, but in some cases retrospective cover is available. If you upgrade your cover within five business days of your admission to hospital, then you will be entitled to higher benefits from the time you are admitted.

After the first five business days of an admission has passed, you can still choose to upgrade your policy and to utilise your waiting period exemption. In this case, you will only be eligible for higher benefits paid under your new policy from the date you purchase the upgraded cover (that is, there would be no retrospective cover).

If you have been covered by private health insurance for less than two months you may be required by your insurer to serve any remaining balance of the two month waiting period permitted under the Private Health Insurance Act 2007 before you can access higher benefits for psychiatric care.

## **Do I need to upgrade to a product with my current insurer?**

No. You are able to upgrade to a product offered by another insurer. The waiting period exemption is subject to the standard portability provisions covering private health insurance. You are able to access the exemption for policy upgrades with your current insurer or with a new insurer.

## **How long do I need to have held hospital cover in order to access this exemption?**

**Two months.** If you have been covered by private health insurance for less than two months you may be required by your insurer to serve any remaining balance of the two month waiting period permitted under the Private Health Insurance Act 2007 before you can access higher benefits for psychiatric care.

## **Can the exemption be used by more than one person on a policy?**

**Yes.** Once-off eligibility for the waiting period exemption is linked to each individual rather than the policy. It is possible for multiple people under a couples or family policy to access the waiting period exemption at different times.

## **Will the psychiatric care waiting period exemption be automatically applied if I upgrade my cover?**

No. You can choose whether or not to use your upgrade exemption. A waiting period exemption is only taken to have been used when a person receives psychiatric treatment within the first two months of upgrading and chooses to claim the higher benefits for that treatment.

This means that utilisation of the waiting period exemption is not compulsory. You can choose whether the waiting period exemption is activated for specialist psychiatric treatment occurring within two months of upgrading your policy. You can choose to either:

- Use the once-off exemption and receive higher benefits for the admission; or
- Not use the exemption, receive the lower benefits you were entitled to under your old policy for the admission, and retain the ability to use the exemption at a later time.

Each insured person can only access the mental health upgrade exemption once in their lifetime.

**If my new policy has a lower excess level than my old policy, will I have to pay the old or the new excess for my admission?**

The waiting period exemption only applies to the higher benefits paid under the new policy and not any change in excess or co-payment. If your new policy has a lower excess or co-payment than your old policy, then you may be required to pay the higher excess required under your old policy until the standard excess waiting period of two months has expired.

**If I upgrade my policy to a new insurer, and they don't have a contract with the hospital where I am receiving treatment, will I be fully covered?**

Not necessarily. If you receive treatment at a hospital that does not have a contract with your insurer you may face out-of-pocket charges. You should check with your insurer or your hospital about possible out-of-pocket costs. You can use the waiting period exemption to upgrade to a policy with a different insurer that does have a contract with the hospital where you are receiving treatment.

**Does upgrading my cover protect me from out-of-pocket costs charged by my doctor?**

Not necessarily. Doctors can choose whether to participate in health insurers' no gap and known gap arrangements. It is important that you discuss possible out-of-pocket costs with your doctor.

**Can my hospital charge me any up-front fees while I am upgrading my cover?**

A hospital might charge you an up-front fee if you are upgrading your cover and they are not able to confirm your policy coverage. Refund arrangements for up-front payments will be a matter for individual hospitals. It is important that you check directly with your hospital to find out about their charging and refund policies.

**I am not sure I can make a decision about upgrading. Can someone else upgrade on my behalf?**

You should check with your insurer who is authorised to change your policy. If there is no authorised person able to upgrade the policy the insurer may need to sign a power of attorney to change your policy.

**When will I have to start paying the higher premiums for my upgraded cover?**

If you have upgraded your cover you will be liable for your new premium from the date the new cover applies. You should check with your insurer when the additional premium will be payable.

**Can I drop back down to a lower level of cover in the future?**

**Yes.** There is nothing to stop you moving to a lower level of cover, but you will only be able to receive higher benefits for psychiatric care while you maintain your upgraded cover. Each person can only use the waiting period exemption once. If you have used your waiting period exemption and then move back to a lower level of cover, then you would not be able to access the waiting period exemption again should you upgrade in the future. Normal waiting periods of two months for access to higher psychiatric care benefits will apply to all your future upgrades.

**I want to upgrade my cover, but it is outside business hours and my insurer is not answering my call.**

The upgrade waiting period exemption includes a retrospective period for policy upgrades that occur within five business days starting on the day you are admitted to hospital for psychiatric treatment. This means that if you are admitted to hospital you can upgrade your cover up to five business days from the date of your admission, and your insurer will pay higher benefits back to the time of your admission. The cover is only retrospective if you pay the premiums for the retrospective period.

The intent of including a five day retrospective period in the new arrangements is to allow people who have been newly admitted to hospital time to:

Decide whether to upgrade their policy;  
Decide whether to utilise their mental health waiting period exemption; and  
Facilitate transferring from their old policy to a new policy.

Retrospective cover only applies in the first five business days of an admission. After the first five business days of an admission, an insurer is only required to apply the waiting period exemption from the time that you upgrade your policy.

**I want to upgrade my cover but the insurers I have called only offer products with restricted psychiatric benefits.**

The government website [www.privatehealth.gov.au](http://www.privatehealth.gov.au) can assist you to find policies that provide higher benefits for psychiatric care.

**I can only use the waiting period exemption once. How will I know if I've used it already?**

Your insurer will keep track of whether you have used the waiting period exemption. You can check with your insurer at any time.

**I was in hospital receiving psychiatric treatment on 1 April 2018, but my admission started before 1 April 2018. Am I eligible for the waiting period exemption?**

If you upgrade your policy and choose to use your waiting period exemption by 9 April 2018 you will be entitled to higher benefits for psychiatric care from 1 April 2018 as retrospective arrangements apply. Higher benefits will not be paid for the period of your admission before 1 April 2018. The cover is only retrospective if you pay the premiums for the retrospective period.

If you upgrade your cover after 9 April 2018, and utilise your waiting period exemption, you will be eligible for higher benefits from the time you upgrade your cover.

If you have been covered by private health insurance for less than two months you may be required by your insurer to serve any remaining balance of the two month waiting period permitted under the Private Health Insurance Act 2007 before you can access higher benefits for psychiatric care.

**I upgraded my policy during February or March 2018 and am still serving my waiting period for access to higher psychiatric benefits. Am I eligible for the exemption?**

If you upgraded your cover before 1 April and are still serving your two month waiting period for access to higher psychiatric benefits, you can choose to utilise your waiting period exemption for hospital admissions for psychiatric care from 1 April 2018.

If you were already in hospital on 1 April 2018, and you choose to utilise your exemption, any higher benefits will only be paid from 1 April 2018 and not for the period of your admission before 1 April 2018.

If you have been covered by private health insurance for less than two months you may be required by your insurer to serve any remaining balance of the two month waiting period permitted under the Private Health Insurance Act 2007 before you can access higher benefits for psychiatric care.

**Where can I get more information about the waiting period exemption?**

Your health insurer will be able to provide you with more information.

**Can I access services if my health fund doesn't cover me?**

**Yes.** You will be given a quote on how much you need to pay. Self-funded services apply to Inpatient admissions, Day Programs or Outreach services.

For more information please visit our website [www.brisbanewatersprivate.com.au](http://www.brisbanewatersprivate.com.au) or [www.centralcoastclinic.com.au](http://www.centralcoastclinic.com.au)