

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2011-2012, 30/31 May 2011

Question: E11-447

OUTCOME 9: Private Health Insurance

Topic: PRIVATE HEALTH

Written Question on Notice

Senator Boyce asked:

How many healthy high income earners does the department believe will downgrade their private health insurance cover to basic hospital cover, which only covers treatments in public hospitals, thus lowering their costs while avoiding the Medicare levy surcharge?

Answer:

The Department has not modelled 'downgrading' as a result of the fairer private health insurance incentives tiers. Insurers offer a range of products and people change between these products for a variety of reasons.