

**Senate Community Affairs Committee**

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

**Supplementary Budget Estimates 2012 – 2013, 17 & 19 October 2012**

**Question: E12-329**

**OUTCOME 9:** Private Health

**Topic:** PRIVATE HEALTH INSURANCE - PREPAYMENTS

**Type of Question:** Written Question on Notice

**Number of pages:** 1

**Senator:** Senator Fierravanti-Wells

**Question:**

Are you expecting changes in policy behaviour, dropping or downgrading to be delayed by 12 or 18 months or the period of the prepayments?

**Answer:**

The Treasury model estimated that 27,000 people may drop their private health insurance hospital cover in response to the Incentives Tiers. It is not anticipated that this will change. The Department of Health and Ageing has not attempted to model how many people may downgrade their cover in response to the Incentives Tiers.