



Private Health Insurance (Lifetime Health Cover) Rules 2017

I, TRACEY DUFFY, delegate of the Minister for Health, make these Rules under item 2 of the table in section 333-20 of the *Private Health Insurance Act 2007*.

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Part 1 Preliminary

1. Name of Rules

These Rules are the *Private Health Insurance (Lifetime Health Cover) Rules 2017*.

2. Commencement

These Rules commence on 1 April 2017.

3. Authority

This Rule is made under item 2 of the table in section 333-20 of the *Private Health Insurance Act 2007*.

4. Schedule

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

5. Definitions

Note: Terms used in these Rules have the same meaning as in the Act—see section 13 of the *Legislation Act 2003*. These terms include:

adult
hospital cover
lifetime health cover base day
private health insurer

In these Rules:

Act means the *Private Health Insurance Act 2007*.

joint policy holder means an adult who is covered under hospital cover that covers more than one adult.

Part 2 General

6. **Adults taken to have hospital cover**

An adult is taken to have hospital cover for the purposes of paragraph 34-15 (2) (c) of the Act if, at the time, the adult is in one of the following classes:

- (a) adults whose health services are provided by or through the Australian Antarctic Division of the Department of Environment and Energy; or
- (b) adults who are members of the Australian Defence Force on continuous full-time service and whose health services are provided by or through the Australian Defence Force; or
- (c) adults who are dependants of a member mentioned in paragraph (b) and whose health services are also provided by or through the Australian Defence Force.

7. **Permitted days—suspended hospital cover**

- 1) For paragraph 34-20 (1) (a) of the Act, if the rules of a private health insurer provide for suspension of hospital cover for a policy holder, suspension may be granted by the insurer concerned on the request of the policy holder.
- 2) If an adult obtains hospital cover from a private health insurer (the ***new private health insurer***) at a time when the person has suspended hospital cover granted by another private health insurer, the new private health insurer must recognise, for the purposes of the Act, that the person has existing hospital cover.
- 3) Subrule (2) does not apply to hospital cover that has been suspended for a continuous period of more than 2 years.

Part 3 Administrative matters

8. Providing information to policy holders

- 1) For paragraph 40-1 (1) (a) of the Act, the requirements for a private health insurer to provide information to a policy holder are:
 - (a) if the policy holder requests information from the insurer about increases under Part 2-3 in the amounts of premiums payable for the policy holder 's hospital cover in respect of that policy holder —provide the information:
 - (i) within 14 days of receipt of the request; and
 - (ii) include the information specified in subparagraphs(b) (i) and (b) (ii); and
 - (b) in addition to the requirements of paragraph (a), for each policy holder affected by section 34-1 or section 34-5 of the Act—provide to that policy holder each year a written statement in clear and simply expressed terms detailing:
 - (i) the amount by which the policy holder's premiums payable for hospital cover are increased as a result of the operation of those sections; and
 - (ii) the private health insurer's record of the number of days the policy holder has not had hospital cover since his or her lifetime health cover base day, other than days to which paragraph 34-20 (1) (a) of the Act applies.

Note: Paragraph 34-20 (1) (a) of the Act deals with permitted days without hospital cover.

- 2) Information provided in accordance with this rule may be provided:
 - (a) in the form of a record based on an age notionally attributed to the policy holder as the age from which the policy holder will be treated as having had continuous hospital cover; and
 - (b) as a notice, or included with other information, sent to the policy holder.

Note: The information may be included in a statement issued in accordance with the *Private Health Insurance (Incentives) Rules 2012*.

- 3) In the case of joint policy holders, the information required to be provided by paragraph 8(1) (b):
 - (a) must be provided to each joint policy holder; and
 - (b) must set out the details applying to each joint policy holder; and
 - (c) if the joint policy holders share an address, may be sent in a single notice to their address.

9. Providing information to adults inquiring about cover

- 1) For paragraph 40-1(1) (b) of the Act, the requirements for providing information to an adult who applies for, or inquires about, taking out hospital cover are to provide information on:

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- (a) the effect of section 34-1 of the Act on premiums payable under the rules of the private health insurer by an adult who is late in taking out hospital cover; and
 - (b) the effect of section 34-5 of the Act in respect of premiums payable under the rules of the insurer by a person who ceases, for any period, to have hospital cover.
- 2) In this rule, *late in taking out hospital cover* means where an adult did not have hospital cover on his or her lifetime health cover base day.

10. Information being provided by one private health insurer to another

- 1) For subsection 40-1(2) of the Act, a private health insurer may provide information about increases applying under Part 2-3 of the Act to another insurer only if, where the information is about a particular policy holder or former policy holder, the adult gives permission for disclosure of the information.
- 2) Information provided in accordance with this rule may be provided in the form of a record based on an age notionally attributed to the policy holder as the age from which the policy holder will be treated as having had continuous hospital cover.

11. Evidence of having had hospital cover, or of a person's age

- 1) For paragraph 40-5(a) of the Act, a private health insurer must accept the following kinds of evidence as conclusive evidence of a person having had hospital cover at a particular time or during a particular period:
 - (a) the annual statement issued to, or on behalf of, the person by the private health insurer (if any) providing the cover at the particular period;
 - (b) a determination referred to in section 37-10 of the Act in respect of the person, if the date to which the determination applies is the particular time or is included in the particular period;
 - (c) a written statement issued by the Australian Antarctic Division of the Department of Environment and Energy, that the person had health services provided by or through the Australian Antarctic Division at the particular time or during the particular period;
 - (d) a written statement issued by the Australian Defence Force that the person had health services provided by or through the Australian Defence Force at the particular time or during the particular period.
- 2) For paragraph 40-5 (b) of the Act, a private health insurer must accept the following kinds of evidence as conclusive evidence of a person's age for the purposes of Part 2-3 of the Act:
 - (a) an original birth certificate in respect of the person;
 - (b) a current driver's licence issued to the person;
 - (c) a current passport issued to the person.
- 3) A private health insurer may accept other evidence if a document of a kind mentioned in subrule (1) or (2) is not available to be given as evidence.

Schedule 1 - Repeals

Private Health Insurance (Lifetime Health Cover) Rules 2007

1. The whole of the instrument

Repeal the instrument.