

Admissions to private psychiatric hospitals

Many patients do not realise until they are admitted to a private psychiatric hospital that their health insurance may not adequately cover them

There have been a number of changes to the level of psychiatric cover offered by a number of private health insurance policies. Less than half of all policies on sale from the major insurers cover the cost of an admission to private psychiatric hospital. This document provides an update on the private health insurance options available to fund private psychiatric treatment.

Key points about private health insurance and psychiatric treatment



More than half of the policies on offer do not provide adequate cover for a stay in a private psychiatric hospital.



Some insurers have moved psychiatric treatment from full benefits to a restricted benefit on some of their policies.



The maximum waiting time to receive cover for psychiatric treatment (including pre-existing conditions) is two months.



What are the private health insurance options for funding treatment?

Not all private health insurance provides full cover for treatment as an in-patient in a private psychiatric hospital. Many policies only partially cover such treatment and funds may from time to time add restrictions to policies that previously provided full cover for psychiatric treatment. Policy holders often assume that they will be covered for psychiatric treatment but on admission to private hospital many patients find they are not fully covered for treatment at a private psychiatric hospital.

By checking their policy to see if it fully covers psychiatric services, patients can identify if they are fully covered for treatment in a private hospital or if they need to upgrade their policy.

The **maximum waiting period** for those who need to take out or upgrade private health insurance that fully covers psychiatric treatment (**including pre-existing conditions**) is **two months**.

Even if a patient does not currently hold private health insurance they can take out a policy that fully covers psychiatric treatment and will be entitled to full policy benefits after two months.

Any uninsured or under insured person can take out private health insurance that will pay full benefits for an admission to a private psychiatric hospital.

The maximum waiting period is two months for psychiatric treatment within a private hospital. This includes pre-existing conditions.



For those with private health insurance

All private health insurance must cover **basic** in-patient psychiatric services. However some policies do not **fully** cover a stay within a private psychiatric hospital.

If the patient has private health insurance they should check to see whether psychiatric services are

- *fully covered by their policy, or*
- *covered to a limited extent*

If they are to be admitted for a day program they should specifically check to see that their health fund will cover that particular program.

Policies that only cover psychiatric services to a limited extent would leave the patient with significant out of pocket expenditure if they were admitted to a private psychiatric hospital.

To avoid such out of pocket expenses patients on these policies can switch to another policy (either with their insurer or with a different insurer) that fully covers psychiatric treatment within a private hospital.

The maximum waiting time before they would be fully covered is two months. This applies if the patient stays with their current insurer or switches insurers.

Policies that cover psychiatric treatment may have a higher premium than the policy holder's current policy.

Restricted benefits do not cover the full cost of an admission to a private psychiatric hospital.

If a service is listed on a policy under the heading 'You are not fully covered for' then the member is not fully covered for this service.

This may mean that health insurance fund only pays out a "minimum benefit" members who use such policies in private hospital would incur significant out of pocket costs.

In some cases it may mean that benefits are only paid for a specified number of days in a given year.

"Benefit Limitation Periods" may also apply which may mean that services provided within that period will only be covered at a lower rate.



For those without private health insurance

If a patient does not have private health insurance but the treating doctor would like to admit them to a private psychiatric hospital then the patient can do the following

- *Take out private health insurance that fully covers psychiatric services; and*
- *Serve a two month waiting period.*

After serving the two month waiting period the patient is entitled to the full benefits of their policy for psychiatric services, including pre-existing conditions.

Anybody can take out private health insurance that covers psychiatric treatment.

The maximum waiting period is two months – including for pre-existing conditions.

Need further advice?

You can obtain independent information about the range of health insurance policies that provide full coverage for psychiatric services through www.privatehealth.gov.au

If you have a specific complaint about your health insurance you may wish to contact the Office of Private Health Insurance Ombudsman, **Complaints Hotline:** 1800 640 495, www.phio.org.au

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