



Changes to Private Health Insurance Rebates and the Medicare Surcharge Levy

From 1 July 2015 to 30 June 2018 the Medicare Levy Surcharge and Private Health Insurance Rebate thresholds will not be indexed.

From 1 July 2014 the standard Medicare Levy will increase to 2%. This was increased in the 2013-14 Budget to cover the cost of the National Disability Insurance Scheme.

The Medicare Levy Surcharge is payable where a person earning more than the relevant income bracket does not hold complying private hospital cover. The Medicare Levy Surcharge is paid in addition to the standard Medicare Levy.

Under current arrangements the income tier thresholds are indexed every year by average weekly ordinary time earnings. This increases the amount a person earns before they are subject to either having their Private Health Insurance rebate reduced or paying the Medicare Levy Surcharge.

From 1 July 2015 these thresholds will remain unchanged. If a person's income increases enough for them to move up an income tier during this period they may;

- receive a lower private health insurance rebate, or
- pay a higher Medicare Levy Surcharge rate.

The savings achieved from this measure will be invested in the \$20 billion Medical Research Future Fund.

These measures will increase the amount that people are contributing towards their health care costs and towards Medicare in general. These changes are in addition to the proposed co-payments for General Practitioner, pathology and radiology services.

Current Thresholds:

The current (as at April 2014) rebate levels for private health insurance are;

Singles Families	≤\$88,000 ≤\$176,000	\$88,001-102,000 \$176,001-204,000	\$102,001-136,000 \$204,001-272,000	≥\$136,001 ≥\$272,001
	Standard	Tier 1	Tier 2	Tier 3
< age 65	29.04%	19.36%	9.68%	0%
Age 65-69	33.88%	24.20%	14.52%	0%
Age 70+	38.72%	29.04%	19.36%	0%

The current (as at April 2014) Medicare Levy Surcharge levels are;

Singles Families	≤\$88,000 ≤\$176,000	\$88,001-102,000 \$176,001-204,000	\$102,001-136,000 \$204,001-272,000	≥\$136,001 ≥\$272,001
All ages	0.0%	1.0%	1.25%	1.5%

These thresholds will remain in place until 30 June 2018.