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Health insurance to rise

THE timing couldn't be worse for many Australians already struggling to make ends meet. From April 1, about 10 million private health insurance customers will pay as much as 12 per cent more for their premiums.

The Federal Government has approved average increases of six per cent - equating to an extra \$160 a year for a family's hospital and extras cover.

Experts say the price hikes will range between four and 12 per cent.

But what if there was a way to buck the trend and make your premium go down?

One health-insurance comparison service says it can save people \$1000 a year on their health insurance.

HelpMeChoose, a free online service, says average Australian families, couples or singles can save money by carefully examining what they want in their policies and excluding non-essential items.

Dr Adir Shiffman, a medical doctor who runs the service, said health plans were complex but consumers could save big bucks by sticking to four simple rules:

1. Understand what cover you need. As an example, few young people need hip replacements, one of the most expensive forms of cover because of the time spent in hospital and common complications.
2. Compare how much you can claim on different kinds of cover. For example, you may get \$300 a year for optical cover on one plan and \$200 on another. But before switching, consider whether you will pay more on the premium.
3. Consider higher excess payments and co-payments. The excess is the amount of money you pay out of your own pocket to stay in hospital. By increasing your excess and co-payments, you can drastically reduce premiums.

4. Shop around. Simply agreeing to pay a \$450 excess on a hospital bill can bring down premiums for a family of four by \$287 a year.

Dr Shiffman said his website did the legwork for consumers by analysing their particular needs against hundreds of products to find the best three products.

It is a free service to consumers, but HelpMeChoose sometimes receives payment from its six participating health insurers for referrals.

Other comparison services include iSelect, which has eight participating insurers; moneytime.com.au, which has seven; and privatehealth.gov.au, a government database of all private health funds and policies.

Financial research and ratings firm Canstar Cannex has also carried out a recent comparison of health funds, which can be found at canstar.com.au

A recent study by the consumer group Choice found families could save as much as \$800 a year by shopping around.

Source: <http://www.news.com.au/dailytelegraph/story/0,22049,25256798-5001021,00.html>