



Private health insurance reforms: Changing coverage for some natural therapies

There will be changes to the way that natural therapies are covered by private health insurance from 1 April 2019

- From 1 April 2019 the following natural therapies will be excluded from the definition of private health insurance general treatment and will no longer receive the private health insurance rebate as part of a general treatment policy: Alexander technique, aromatherapy, Bowen therapy, Buteyko, Feldenkrais, Western herbalism, homeopathy, iridology, kinesiology, naturopathy, Pilates, reflexology, Rolfing, shiatsu, tai chi, and yoga.
- Rules have been made to exclude these natural therapies from the definition of general treatment under section 121-10 of the *Private Health Insurance Act 2007*. Insurers will then not be able to offer benefits for these therapies as part of a complying health insurance policy.
- Insurers can offer incentives to purchasers of private health insurance as long as the incentives meet the requirements of the Private Health Insurance (Complying Product) Rules. These incentives could include services provided by a natural therapist. It will be up to each insurer to decide whether to offer this type of incentive.
- Consumers will still be able to choose to access these natural therapies outside the private health insurance system.

Why is this important?

- A review chaired by the former Commonwealth Chief Medical Officer found there is no clear evidence demonstrating the efficacy of the excluded natural therapies.
- This review was undertaken by the National Health and Medical Research Council (NHMRC), which was tasked with reviewing scientific literature examining the effectiveness and, where available, the safety and cost effectiveness of 17 natural therapies. These reviews were conducted in line with NHMRC's approach to assessing evidence. The NHMRC reviews were undertaken for the specific purpose of informing the Australian Government's Natural Therapies Review.
- Changing coverage for the excluded natural therapies will ensure taxpayer funds are spent appropriately and are not directed to therapies that do not demonstrate evidence of clinical efficacy.

Who will benefit?

- Around 54 per cent of the Australian population is covered by general treatment (extras) insurance. Changing coverage for the excluded natural therapies will remove costs from the system and contribute to reducing private health insurance premium growth.

What impact will this change have on private health insurance?

This change will contribute to reducing private health insurance premium price increases.