

Date: 15 May 2000

Subject NIB Closes The Gap with New Health Initiative

NIB Health Funds will introduce a new health cover option, Medi-Gap Cover, from next week which eliminates out-of-pocket expenses for members with hospital cover.

NIB's Managing Director, Mr Colin Rogers, made the announcement today as NIB posted ongoing record membership growth during the first quarter of the year.

Since January, more than 15,000 new members have joined NIB, due to the fund's product enhancements, key initiatives such as the Federal Government's Lifetime Health Cover and 30% rebate, and NIB's decision not to increase contribution rates this year.

Mr Rogers said the introduction of NIB's Medi-Gap Cover would help ensure that membership growth during the second quarter continued at its present rate.

"Medi-Gap Cover is an important product for NIB which will be made available to eligible members at no extra cost," Mr Rogers said.

"Our members can now be confident that all costs involved in providing inpatient services can be covered by Medi-Gap Cover, and they will further benefit from a simplified billing process."

Medi-Gap Cover will apply to all NIB hospital insurance products. Medi-Gap Cover will provide a schedule of benefits that covers all medical costs associated with hospital services listed on the Medical Benefits Schedule (MBS).

This includes a new benefit for the difference between a doctor's fee and the MBS fee, which until now has been borne by health fund members.

NIB's development of Medi-Gap Cover follows passage of legislation enabling health funds to insure the gap between the MBS fee and a doctor's fee for the first time.

Where a doctor chooses to use Medi-Gap Cover, there is no gap payment, the NIB member receives one itemised statement of benefit, and the doctor is guaranteed payment for the services provided.

Mr Rogers said initial Medi-Gap Cover benefits had been set at levels that were consistent with existing average charges for MBS items to NIB members.

An annual review of the benefits schedule would help ensure the best possible outcome for all parties involved, he added.

"At present, Medi-Gap cover will provide immediate benefit for more than 320,000 people who are now covered by an NIB hospital table," Mr Rogers said.

"But we believe these numbers will increase steadily as new members join, and as existing members consider upgrading their present level of cover".

Based in Newcastle, NIB operates throughout New South Wales and the Australian Capital Territory, as well as Queensland, Victoria and South Australia.

It is one of the top four health funds in NSW and one of the six largest in Australia.

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