



# Medicare Levy surcharge changes

## What does this mean for you?

You may have seen media reports about the Federal Budget handed down in May 2008, which proposed changes to the Medicare Levy Surcharge.

### What is the Medicare Levy?

- The Medicare Levy Surcharge is an extra tax that currently applies to people with an annual taxable income above \$50,000 (single) or \$100,000 (family) who do not have hospital cover with a private health fund. The \$100,000 family income threshold is increased by \$1,500 for each child after the first child.
- The 1% surcharge is in addition to the current 1.5% Medicare Levy on your taxable income.
- All Peoplecare hospital cover products exempt you from the additional 1% Medicare Levy Surcharge.

### What are the proposed changes to the Medicare Levy Surcharge?

In essence, the only changes to the Medicare Levy Surcharge are to the income thresholds, which were amended in the 2008 Federal Budget and will apply from 1 July 2008 (subject to legislative approval). The proposed changes are as follows:

These figures are only a guideline. For exact figures, please check with your accountant or the Australian Taxation Office as your Medicare Levy Surcharge is calculated at the time you lodge your annual income tax return.

Proposed Changes to the Medicare Levy Surcharge			
	Existing income threshold (annual taxable income)	Income threshold from 1 July 2008 (annual taxable income)	Approx Medicare Levy Surcharge (1% of annual taxable income)
Single	\$50,000+	\$100,000+	\$1,000+
Couple or Family with one child	\$100,000+	\$150,000+	\$1,500+
Family with more than one child	\$101,500+	\$151,500+	\$1,515+

### What does this mean to me?

Peoplecare will continue to provide you with the peace of mind of knowing that you have cover against high and rising hospital, medical and other healthcare costs at competitive rates and give you choice and access to healthcare through the private health system.

In fact, it has been reported that these changes could result in up to 400,000 Australians dropping out of the private health system. This is likely to place an additional burden on the already struggling public health system, which makes it even more important for Peoplecare members to maintain their hospital cover.



When a serious health issue strikes a family member or friend, the main priority is to get the best care available and as quickly as possible. This can often mean that a private hospital is the only acceptable option, yet many people are unaware of the high costs associated with medical and hospital treatment in Australia's private health system.

Some of the most expensive hospital claims are for common health issues that can strike at any time. Many health conditions can occur at any age and accidents can happen to anyone. Examples include:

- **Coronary bypass and other cardiac conditions**
- **Stroke**
- **Rehabilitation**
- **Spinal injuries**
- **Mental Health conditions**
- **Hip & knee replacements**
- **Cancer**

Some recent examples of claims paid by Peoplecare in the past year include (right):

# Case Studies:

## The cost of Hospital and Medical Treatment

### Case Study 1:

A 64 year old woman in Victoria was hospitalised for pancreatitis, suffered severe complications including major organ failure and the health fund benefit exceeded \$260,000.

### Case Study 2:

A 74 year old male required both a knee replacement and a defibrillator in New South Wales in 2007 and the health fund benefit paid was \$114,966.

### Case Study 3:

A man aged 75 years required leukemia treatment in Queensland and the health fund benefit paid was \$104,758.

### Case Study 4:

A baby born prematurely in NSW resulted in a hospital and medical benefit of \$28,232.

### Case Study 5:

A 29 year old female had a hospital and medical benefit of \$53,679 for the treatment of spinal injuries in Victoria.

**So, it's important to make sure you and your family members are protected against potentially expensive healthcare costs and it's nice to know Peoplecare is there when you most need us.**

## National coverage: Where am I covered?

**Feedback from members has shown us that many members aren't aware that Peoplecare is a national health fund which offers coverage around the whole country.**

**You may also be surprised to learn that our membership is also spread far and wide throughout Australia.**

**Here are some other facts you may find interesting:**

- Peoplecare has an extensive national network of more than 450 private hospitals and day surgeries and over 19,000 medical practitioners that have arrangements with the fund.
- These arrangements are negotiated on our behalf by the Australian Health Service Alliance (AHSA), which is a company that represents 26 of the 36 registered private health funds in Australia (or 24% of the industry) and is responsible for negotiating arrangements between hospitals, doctors and other health

service providers on our behalf.

- All Peoplecare policies include national ambulance cover at no additional charge. This means that no matter where you live or which state you travel to, you'll be covered for your ambulance transport.

**At Peoplecare, our aim is to ensure that members receive access to high quality health services and our medical and hospital arrangements help to eliminate or reduce your exposure to out of pocket medical expenses, no matter which state you're receiving treatment in.**

Find Specialists by Name, Area and/ or Specialty

Given Name

Family Name

Post Code

Suburb/City

State

Specialty #

Include specialists from adjacent suburbs



To find one of the 450 private hospitals or over 19,000 doctors we have agreements with across Australia, simply visit our website at [www.peoplecare.com.au](http://www.peoplecare.com.au). Go to the Members section and choose Find a Healthcare Provider. You can search for private hospitals, day hospitals, doctors and ancillary treatment providers. Our handy search facility lets you search by name, postcode, suburb or speciality. As always, if you'd prefer, you can call us on 1800 808 690.

# Member Satisfaction 2008 Survey

**The Peoplecare annual Member Satisfaction Survey for 2008 took place in February and we received a record number of responses, with 1,407 members participating.**

Overall, the results are very positive, which is a testament to the hard work of Peoplecare staff in addressing the issues from the annual surveys. The survey measures satisfaction with levels of communication, telephone service, written service, website services, claims turnaround, benefits, electronic claiming and other services.

**In general, an overwhelming 97% of respondents said they were satisfied with the fund, which is consistent with previous years and very pleasing news.**

We have conducted our initial review of the full analysis report and as usual, we will coordinate a project team to identify any areas of improvement in line with our commitment to reviewing and further improving our benefits, member service and the total package we offer members.

It was heartening that many of the areas we have targeted as a result of last year's survey have improved in their ratings, including the level of member communication, members' understanding of their cover, website services and the fund being easy to deal with.

**Some of the initiatives we have introduced as a result of last years survey results include:**

- **A comprehensive review and over \$900,000 worth of improvements to our extras (ancillary) benefits, which were introduced from 1 April 2008. These included increases to dental benefits, changes to optical benefits, the inclusion of ambulance cover in all Peoplecare products and the introduction of a health management benefit to extras products.**

- **Development of online claiming** (due for completion in 2nd half 2008)
- **The introduction of Call Quality Monitoring** to improve our telephone service and staff training and development.
- **A series of educational articles** designed to help members understand their health cover, including:

- + Who pays? a handy reference table outlining who pays for which type of medical bill.
- + Hospital claims within waiting periods
- + What to do if I have to go to hospital?
- + 'How to' Guide: Quick Claims
- + Top tips for claiming
- + Ancillary benefits at a glance
- + Case Studies - the cost of hospital & medical treatment (this issue)
- + National coverage - where am I covered? (this issue)

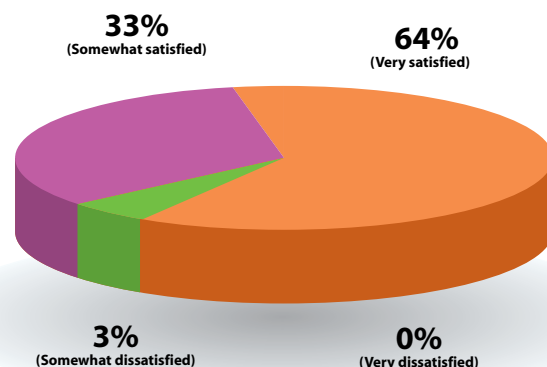
- **The introduction of preventative health articles** in the newsletter and on our website including:
  - + Preventing Type 2 Diabetes
  - + Successful Weight Maintenance
  - + Holiday Stress
  - + Physical Activity for Men
  - + Physical Activity for Women
  - + Stress in Everyday Life (this issue)

- **More member competitions and prizes**

*If you're interested in any of our past articles, they are available on our website, or please contact us at:*

**info@peoplecare.com.au** or call us on **1800 808 690** and we will be happy to send you a copy of the article you're interested in.

*As a result of member feedback in 2008, some of the main areas we believe we can further improve on in the coming year are:*



- + Introducing online claiming in the second half of 2008.
- + A full review of all of our written communications to ensure a 'plain English approach'
- + Streamlining more of our administrative processes
- + Using electronic communications for members who prefer this way of dealing with the fund
- + Enhancing our online services

**Stay tuned for developments in these areas and more!**

**A huge 'Thank you' to all members who participated and helped us identify opportunities to enhance the value and service we deliver to our members.**





# Stress in everyday life

**Stress is a process, not a diagnosis. Stress is experienced when there is an imbalance between the demands being made on us and our resources to cope with those demands. The level and extent of stress a person may feel depends a great deal on their attitude to a particular situation. An event which may be extremely stressful for one person can be a mere hiccup in another person's life.**

Stress is not always a bad thing. Some people thrive on stress and even need it to get things done. When the term 'stress' is used in a clinical sense, it refers to a situation that causes discomfort and distress for a person and can lead on to other mental health problems, such as anxiety and depression.

## Stress is a problem when a person feels they cannot cope

As a clinical problem, stress occurs when the demands made on a person exceed (or they feel they exceed) their ability to cope. A variety of factors can contribute to a person feeling 'stressed'. This may include:

- *Environment (work, home, school etc.)*
- *Lifestyle*
- *Emotional and personal style issues.*

An individual person's attitude, personality and approach to life will influence how they respond to stress. The following factors all play a part:

- *How a person thinks about a problem*
- *The different ways a person copes with difficult situations*
- *Life experiences and life history*
- *A person's self-esteem*
- *Whether they have people around who can provide support.*



## Stress at work

Stress in the workplace is common and is caused by many different factors and issues, including excessive hours, conflicts with others and feelings of isolation. Many problems may never be fully resolved. The amount of stress a person experiences is often determined by whether or not they can accept that some things in life will simply never be sorted out to their satisfaction. For example, a person may feel stressed by the way they are treated by their employer or by the behaviour of a work colleague.

Sometimes this stress can be

resolved by dealing with the particular behaviour. In many organisations there are processes that can be followed to deal with workplace problems like harassment, victimisation, unfair treatment etc. In many cases, the problem can be resolved if the behaviour is changed.

However, some problems will never be fully resolved and may have to be accepted. For example, if someone you think is poorly qualified is given a job you felt entitled to, you may continue to feel stressed unless you are able to let go of that grievance and move on.



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## How to manage stress

The old adage 'prevention is better than cure' is certainly true for stress management. It will help if you:

- **Exercise regularly**  
*Regular exercise is a great way to manage stress. You should do some form of exercise that causes you to feel puffed afterwards – a leisurely stroll to the bus stop is not enough! Have at least 20 minutes of exercise three times a week.*
- **Avoid conflict**  
*Avoid situations that make you feel stressed as much as you can. Avoid unnecessary arguments and conflict if you find them stressful (although ignoring a problem is not always the best way to reduce stress). Assertiveness is fine but becoming distressed is not.*
- **Relax**  
*Make sure you give yourself some time to relax each day and try to spend time with people who make you feel good about yourself.*
- **Eat well**  
*A nutritious diet is important. Eat plenty of fresh fruit and vegetables and avoid sweet and fatty foods.*
- **Sleep**  
*A good sleep routine is essential, so do something calm and relaxing before you go to bed like listening to music or reading if you have difficulty falling asleep.*
- **Enjoy your life**  
*It's important to make time to have some fun and to get a balance in your life.*

## Where to get help:

- Your doctor
- Community health centre
- Mental Health Foundation of Australia (Victoria)  
Tel. (03) 9427 0406

## Things to remember:

- Stress affects people in different ways.
- A balanced lifestyle helps you manage stress.
- Issues that cause stress cannot always be resolved but changing your expectations of a problem may help.

This information was provided by the Better Health Channel, a Victorian Government (Australia) website. Material on the Better Health Channel is regularly updated. For the latest version of this information please visit: [www.betterhealth.vic.gov.au](http://www.betterhealth.vic.gov.au)

## To profit, or not to profit?

**You may have seen reports in the media about some Australian health funds changing their corporate structure from Not For Profit to list on the sharemarket.**

Peoplecare has always been a Not For Profit organisation since the fund's beginnings in 1953 and the Board of Peoplecare strongly believes that this is the way Peoplecare should stay.

*What does Not For Profit mean?*

Peoplecare is a mutual organisation, which means that we are owned by the members and run by the members through a Board of Directors which is made up of both Directors elected by the membership and Directors appointed by the Board. Not For Profit companies like Peoplecare do make surpluses when required, but do not have shareholders and therefore do not pay profits out as dividends or pay income tax.

As a Not For Profit fund, our aim is to 'help people live healthier lives' by providing access and financial support to members in accessing quality healthcare when they need it. Our aim is to generate enough income to cover the cost of members' claims, run the fund and meet the financial requirements of the Private Health Insurance Administration Council (PHIAC), which is the regulator for all health funds in Australia.

*Why is the Peoplecare Board committed to Not For Profit status?*

The Board of Peoplecare firmly believes that it would not be in the best interests of our membership to change to 'for profit' status as this would mean a different approach to running the fund. For one thing, 'for profit' health funds need to generate profits to pay dividends to their shareholders, in

addition to providing health cover for their policy holders. To pay dividends to their shareholders, they must make profits above and beyond the cost of claims, running their business and the statutory requirements of the regulator. For profit companies also have the additional cost of paying income tax on their profits.

This would mean that to generate additional profits for shareholders, contributions would have to increase more than the average, or benefits would need to decrease or the cost of running the fund would need to reduce. In Peoplecare's case, the cost of administering the business (otherwise known as 'management expenses') is already among the lowest in the industry.

In essence, the Board believes that providing the health cover needs of Peoplecare members is best served by remaining a Not for Profit fund, owned and run by its members.

## Competitions & Prizes! Family & Friends

As a member, you already know about Peoplecare's high quality health insurance and great value for money. Now that we're an open fund, why not share the good news with a friend or family member? Take up this great offer and encourage family and friends to join. The new member can join online at [www.peoplecare.com.au](http://www.peoplecare.com.au) or join by telephone on 1800 808 700. All they need to do is mention your membership details at the time of joining.

If your friend or family member joins Peoplecare from the 1st July to 31 December 2008, you and the new member will both receive a distinctive Sports Bag or Back Pack and an entry into the draw to win a fantastic iPod Video 80GB\* valued at \$319.

This promotion is authorised under NSW Permit # LTPS/078/06027 and ACT Permit # TP 08/02477. For full Terms & Conditions, please visit <http://www.peoplecare.com.au/Members/NominateFamilyFriends.shtml>



## Great deals on travel insurance

If you're thinking about traveling overseas, one of the most important things you need to consider is travel insurance, as your health fund membership doesn't cover overseas services. You may also want to consider travel insurance when traveling within Australia to protect you against unforeseen circumstances. Either way, QBE and Peoplecare offer a travel insurance policy to suit your needs at discounted prices.

It's simple to take out a policy by calling us on 1800 808 700 or visiting our website at [www.peoplecare.com.au](http://www.peoplecare.com.au)

## Winners Circle

**Family and Friends:** The winner of the Family & Friends draw from July to December 2007 was Luke Doughty of Kanahooka, NSW who is the proud new owner of a 30GB Apple iPod Video.

**Member Satisfaction Survey Winners:** The lucky winner of the major prize draw, a TomTom One GPS Navigator, was Aimee Turner of Cringila, NSW. The winners of the Peoplecare 1GB MP3 player were Mandy Barlogie, Brian Herd,

Meredith Woodward, George Ashford, Glenn K Williams, Graeme Wirrell, Jamie Richardson, John Hames, Julie Newton-Werro, Elizabeth O'Donoghue.

Congratulations to all winners!