



Australian Government

Department of Health and Aged Care

## **Are you appropriately covered to avoid paying more through the Lifetime Health Cover and the Medicare Levy Surcharge?**

In Australia, private health insurance hospital cover plays an important role in supporting the Australian health system by offering a number of benefits such as choice of doctor, timing of treatment, limited coverage for some services not included under Medicare arrangements, and shorter waiting times for some health care services.

You are receiving this letter because you are registered for Medicare and may be shortly turning 31 and may not have private health insurance hospital cover.

Australian private health insurance hospital cover is not compulsory. However, it is important to understand how the Lifetime Health Cover and the Medicare Levy Surcharge may affect you, should you decide to purchase cover at a later date, and after the required time.

### **Lifetime Health Cover (LHC)**

The Lifetime Health Cover (LHC) is a financial loading that can be payable in addition to the base rate premium for private health insurance hospital cover. It is designed to encourage people to purchase and maintain private health insurance hospital cover earlier in life.

To avoid paying the LHC loading, hospital cover needs to be purchased by the later of:

- 1 July following a person's 31<sup>st</sup> birthday, or
- **within 12-months** of being registered for Medicare.

The longer you wait the higher the LHC loading will be. For further information about the LHC loading, go to: [privatehealth.gov.au](http://privatehealth.gov.au) or refer to the factsheet on the reverse side of this letter.

### **Medicare Levy Surcharge (MLS)**

If you do not have private health insurance hospital cover, you might need to pay the Medicare Levy Surcharge (MLS). The MLS is a levy paid by some Australians once per financial year, depending on their income. For the financial year commencing 1 July 2024, the income threshold for a single person starts at \$97,000 and \$194,000 for a family.

The amount of MLS charged may be greater than the cost of private health insurance hospital cover. For more information about the MLS, go to [privatehealth.gov.au](http://privatehealth.gov.au) or [ato.gov.au](http://ato.gov.au).

### **For More Information**

If you require further information about your eligibility for Medicare, or need to update your contact details, please contact Services Australia on 13 20 11 or via [servicesaustralia.gov.au](http://servicesaustralia.gov.au).

Private Health Strategy Branch  
Department of Health and Aged Care  
May 2024