



<Title> <First name> <Surname>  
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<Dear <Title> <First name> <Surname>><To whom it may concern>

## Learn how to avoid paying more under the Lifetime Health Cover and the Medicare Levy Surcharge

You are receiving this letter because you are registered for Medicare and may soon turn 31.

You have a choice of purchasing private health insurance hospital cover right now. Private hospital cover is not compulsory in Australia. But it can provide benefits such as choice of doctor, shorter waiting times and access to some treatments not fully covered by Medicare. If you decide to purchase cover later, it is important to understand how the Lifetime Health Cover (LHC) and Medicare Levy Surcharge (MLS) may apply so you can make an informed decision.

**LHC:** LHC is an extra cost added to the base premium of private hospital cover. To avoid paying it, you need to purchase hospital cover **before 1 July following your 31<sup>st</sup> birthday** and/or **within 12 months of registering for Medicare**. For more detail about how LHC works – including examples – please refer to the **attached fact sheet** or visit **privatehealth.gov.au** and search ‘Lifetime Health Cover’.

**MLS:** The MLS is a levy paid by Australian taxpayers each year **if they earn above a certain income**. For the financial year starting **1 July 2026**, the income threshold starts at **\$105,000** for singles and **\$210,000** for families. To avoid paying it, you need to purchase hospital cover (the cost of the hospital cover could be cheaper than paying the MLS). For more information, go to **privatehealth.gov.au** or **ato.gov.au**.

### Compare Medical Costs

The Australian Government provides an online tool called the **Medical Costs Finder** which shows typical costs of medical services to help you to plan your healthcare and decide if private health insurance is right for you. Visit **medicalcostsfinder.health.gov.au** to explore the tool and learn more.

### For More Information

If you require information about your eligibility for Medicare or need to update your contact details, please contact Services Australia on 13 20 11 or at **servicesaustralia.gov.au**.

Private Health Strategy Branch  
Department of Health, Disability and Ageing  
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