

Law & Policy Group

GRIST



Australia's 2020-21 budget includes health developments

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Australia's delayed federal [Budget 2020-21](#) includes health-related developments that may impact employers.

Highlights

Increased mental health budget and Medicare-funded psychological services. The mental health budget will increase to AUD 5.7 billion and fund improved Medicare psychological services. Individuals will be entitled to 20 Medicare-funded psychological consultations per year, up from 10 under the current rules. These Medicare-funded mental health services will supplement coverage provided by employer-funded employee assistance programs.

Private health insurance reforms. Insurers will be able to increase the age of dependents and allow people with a disability to remain on family policies. The government will also improve transparency for out-of-pocket expenses.

- **Longer coverage for dependents.** Insurers will be allowed to expand family coverage under private health insurance policies to include dependents up to age 31 (rather than the current cut-off age of 24) and any family member with a disability. The changes aim to address declining number of young people covered by private health insurance and improve the continuity of coverage. Depending on how insurers decide to address the reforms, employer-funded health plans could see lower premiums or remove employee contributions.
- **Increased transparency for out-of-pocket costs.** The government will commit AUD 17.1 million to improve the [Medical Costs Finder](#) website and increase the transparency of out-of-pocket costs associated with private health insurance. The website collects, validates and publishes medical specialist fees charged by individual practitioners to consumers. The reduction or elimination of out-

of-pocket expenses will increase the already high value of company private health plans to employees.

Telehealth services extended. The government has extended funding for telehealth services for an additional six months through March 2021. This will enable individuals who do not have easy access to doctors and allied health services to continue with online consultations.

Related resources

Non-Mercer resources

- [Press release](#) (Department of Health, 6 Oct 2020)
- [Budget 2020-21](#) (Australian government, 6 Oct 2020)

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- [Australia: Budget flags further superannuation pension reforms](#) (14 Oct 2020)

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