

## ADEA Response to Consultation Paper: Private Health Insurance Reforms—Second Wave

### ***Consultation 1: Increasing the age of dependents to 31 and removing the age limit for dependents with a disability.***

ADEA agrees with and supports increasing the age of dependents to encourage younger people and people with disabilities to maintain private health insurance. The age increase is essential for providing meaningful cover for diabetes and other chronic conditions. We commend this recommendation.

### ***Consultation 2: Out of Hospital Mental Health Services Proposed Policy Part two: Chronic disease management programs (CDMPs) provided to a wider range of professional groups.***

Private health insurers should be allowed to pay for a wider range of allied health professionals, and we commend this proposed policy. However, chronic disease management must go beyond just mental health. We encourage the Department of Health to consider increasing this to other services. Expanded chronic disease management coverage of private health insurance could reduce costs to the entire health system. In the case of diabetes, this is particularly evident. According to data from the National Diabetes Service Scheme (NDSS), approximately 1.4 million Australians live with diabetes<sup>1</sup> with an estimated additional 500,000 who have not yet been diagnosed<sup>2</sup>. There were 1.2 million hospitalisations<sup>3</sup> associated with diabetes in 2017-18. The resulting average annual healthcare cost was up to \$9,645 per person with diabetes in 2012<sup>4</sup> and is likely to be significantly higher now. If private health insurance covered additional visits to Credentialed Diabetes Educators (CDEs), the improvements in glycaemic management and reduction in complications would result in less cost burden to the healthcare system, improve the individuals' quality of life, and create a healthier Australia. Please consider expanding this beyond mental health services.

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<sup>1</sup> <https://www.ndss.com.au/wp-content/uploads/ndss-data-snapshot-202012-all-types-diabetes.pdf>

<sup>2</sup> <https://www.diabetesaustralia.com.au/about-diabetes>

<sup>3</sup> <https://www.aihw.gov.au/reports/diabetes/diabetes/contents/hospital-care-for-diabetes>

<sup>4</sup> Shaw J, Tanamas S. Diabetes: the silent pandemic and its impact on Australia. Melbourne: Baker IDI Heart and Diabetes Institute, 2012.