



AUSTRALIAN DENTAL  
ASSOCIATION

## Rebates and gap payments

### Are you getting what you paid for?

That's the million dollar question you should be asking yourself.

While you might expect rebates to cover a sizable portion of your dental expenses, the reality is that rebates for dental treatments, which are paid out as part of the extras cover of your policy, rarely cover anything like the full cost of a treatment. All too often you are left covering the gap between the treatment cost and the rebate paid to you by your insurer.

One key reason your rebates are failing to keep pace with premiums is that the latter increase every year on 1 April by an average of 6% a year unlike rebates which are only increased on an ad hoc basis, if at all. Theoretically, rebates should keep pace with premiums but in reality they often don't, meaning the gap grows larger each year. Good for your insurer's profitability; not so good for your wallet.

While your insurer may take advantage of this yearly increase to make changes to your policy, there is no guarantee they will adjust the rebate. You can use this time of year to review your policy and if it turns out the gap between premium and rebate has grown too great, you might like to consider switching to another policy. Or it could be cheaper for you to pay-as-you-go for any treatments and dispense with extras cover altogether.

Insurers are also fond of blaming the fees charged by dentists for the lower-than-expected rebate you receive. But by and large your dentist has no control or visibility over the rebate amount you receive.

Yes, dental fees are a factor but only in so far as fees vary between dentists, meaning that the set percentage you receive back will also naturally differ. So when your insurer says that you are getting back such-and-such an amount solely because of the fees charged by your dentist, you should treat this justification with the healthy degree of scepticism it deserves.

The size of your rebate may also be potentially influenced by insurers choosing to open their own clinics or establishing contractual relationships with dentists. They will then suggest you use these clinics or dentists instead of being treated by your usual dentist, with the promise of higher rebates.

If you choose to stick with your own dentist, which is recommended, you could find yourself paying the same premiums as other members but not getting the same benefits, a manifestly unfair situation. You should not be penalised for wanting to stick with your own long-term dentist.

If you're not happy with some aspect of your private health insurance experience, and you haven't received an adequate response from your fund, you should make a complaint to the Private Health Insurance Ombudsman.

Go to [time2switch.com.au](http://time2switch.com.au) to compare your extras policy with others on the market or to lodge a complaint with the **Private Health Insurance Ombudsman**.

For more information visit [ada.org.au](http://ada.org.au)

