



Australian Government

Department of Health and Ageing

Ms Belinda Cerritelli
Secretary
Mr Larry Kornhauser
President
Keratoconus Australia
PO Box 8188
CAMBERWELL NORTH VIC 3124

Dear Ms Cerritelli and Mr Kornhauser

Thank you for your letter of 30 April 2007 to the Minister for Health and Ageing, the Hon Tony Abbott MP, concerning the cost of contact lenses for keratoconus. The Minister has asked me to reply on his behalf.

Medicare does not, and was never intended to provide direct assistance with the costs incurred in the purchase of optical appliances. The provision of medical aids and appliances is essentially a State Government responsibility, and each State and Territory Government assists eligible people to obtain optical appliances at reduced cost, including contact lenses in some circumstances. Decisions regarding eligibility under these assistance schemes, and subsidies available through the schemes, rest appropriately with the States and Territories that provide them.

These schemes are normally located in State/Territory departments of health, human or community services. You may wish to contact the Victorian College of Optometry (who implement the scheme for the Victorian Department of Human Services) on (03) 9349 7400. They will inform you of your closest optometrist who participates in this scheme.

The Australian Government provides Medicare rebates for consultations where glasses or contact lenses may be prescribed. Rebates are available for consultations by optometrists and ophthalmologists concerned with the prescription and fitting of contact lenses for a range of eye conditions, including (but not limited to) myopia (5.0 dioptries or greater), manifest hyperopia (5.0 dioptries or greater) and astigmatism (3.0 dioptries or greater). There is also a Medicare rebate for the refitting of contact lenses where a patient requires a change in contact lens material or basic lens parameters, other than simple power change, because of a structural or functional change in the eye or an allergic response.

If the profession thinks that keratoconus requires alternative funding under Medicare, Royal Australian and New Zealand College of Ophthalmologists or Optometrists Association of Australia could apply through the Medicare Benefits Consultative Committee or the Optometrical Benefits Consultative Committee process.

The Australian Government does assist indirectly with the cost of purchasing optical appliances by way of the 30% rebate on appropriate private health insurance cover.

All Australians are eligible to claim the 30% rebate if they have an appropriate health insurance policy that provides hospital, ancillary or combined cover, and where each person covered by the policy is eligible to claim Medicare benefits. If ancillary cover is obtained, the health fund may provide some assistance with the cost of optical appliances.


Health insurers offer benefits for various goods and services under General Treatment policies (also known as ancillary or extras cover) in an attempt to assist as many of their contributors as possible. Services include dental, optical, physiotherapy and a variety of other services. Individual health insurers can determine which services they want to cover and any limits on benefits they will pay. In deciding whether to cover certain services, health insurers decide for themselves whether the services provide value in terms of cost outlays and clinical outcomes for their members. Providers of health care services and health support organisations need to partner with health insurers and agree on the benefits payable for those services. It is worth noting that health insurers generally find it necessary to limit such benefits in order to keep the cost of policies affordable.

If a person's current policy does not meet their requirements, they are encouraged to research alternatives in an attempt to ascertain if there is a more suitable cover for their needs. It is possible to transfer to a similar level of cover with another health insurer without having to re-serve waiting periods, however the individual should check carefully, as normal waiting periods apply for higher benefit levels or benefits for additional services that were not available under their previous policy.

The Australian Government also assists Australians with their out-of-pocket medical expenses through the Net Medical Expenses Tax Offset scheme. The scheme is administered by the Australian Taxation Office (ATO) and is not restricted to items listed in the Medicare Benefits Schedule. Australians subject to paying income tax may be able to claim their net out-of-pocket medical expenses over a specified limit in an income year, after Medicare (including safety net) and any private health insurance benefits, as costs towards the tax offset. For the 2006-07 income year, the tax offset is 20% of net medical expenses over a \$1,500 threshold amount. There is no upper limit to the amount claimable. Further enquiries regarding the tax offset for excess medical bills should be directed to the ATO Personal Tax Enquiries line on 13 28 61 (8am to 6pm weekdays). Alternatively, more detailed information can be found on the ATO web site at www.ato.gov.au/individuals/content.asp?doc=/content/19181.htm.

I trust that this information is of assistance and, on behalf of the Minister, thank you for taking the time to raise these issues.

Yours sincerely



Veronica Davidson

Acting Director

Schedule Review

MBS Policy Implementation Branch

Medical Benefits Division

29 June 2007