

Commonwealth seniors health card (CSHC)

Note: For reasons of succinctness and presentation, the information provided in this paper is in the form of summaries and generalisations that may omit detail that could be significant in a particular context, or to particular persons.

The CSHC provides the following financial benefits:

Centrelink Energy Supplement

The *Energy supplement* is a payment designed to assist with household expenses including energy costs. It is not indexed and continues to be paid quarterly at the rates applicable on 20 September 2014. For singles, the payment is \$366.60 pa and for couples \$551.20 pa. If a couple is separated because of illness the payment is \$366.60 each.

South Australian government cost of living concession.

This scheme became operative on 1 July 2015 to replace the abandoned Council Rate Concession scheme. Under this new scheme holders of the CSHC who are resident home owners or tenants can receive a concession payment of \$100 pa. This concession is limited to one payment per household. Therefore, if there are four tenants in a household each would receive \$25 pa.

South Australian government energy bill concession credits.

This concession payment of \$215 pa is paid directly to the providers of electricity and gas, which in turn pass on those credits to consumers who hold concession cards, including the CSHC.

South Australian government medical heating and cooling concession.

This concession payment of \$215 pa is payable to eligible persons in addition to the energy bill concession mentioned above. It is available to holders of the CSHC who have a clinically verified medical condition which requires the frequent use of heating or cooling in their home to prevent severe worsening of their condition.

To obtain further information about this extended scheme visit www.sa.gov.au and type in the search box 'Medical heating and cooling concession'. Alternatively, ring the associated hotline on 1300 735 350.

South Australian government Emergency Services Levy (ESL).

The ESL is a levy on all land to help fund emergency services across South Australia and is calculated in accordance with the ownership and capital value of land on 1 July each year.

Holders of the CSHC who own, or part own, their principal place of residence and are responsible for paying the rates and taxes on that land are entitled to receive a 'general remission' and an additional concession of up to \$46 pa.

For example, a residential property valued at \$300K in the Adelaide metropolitan area attracts an ESL for 2015-16 of \$203.96. For those with a CSHC the amount payable is \$35.20.

For further information regarding the calculation of the ESL remission, visit www.revenuesa.gov.au or call the Revenue SA helpline on 1300 366 150

Cost of medicines under the Pharmaceutical Benefit Scheme (PBS)

The PBS safety net is designed to keep medicines affordable by limiting out-of-pocket expenses for people and families who require a large number of medicines.

Under the safety net, concession card holders, including the CSHC, are required to contribute up to \$372 per calendar year for PBS prescription medicines (representing 60 scripts at \$6.20 each). After that, any additional PBS prescription medicines are free of charge.

For those without a concession card, the safety net threshold is \$1475.50 per calendar year. Having reached that threshold, any further PBS prescription medicines cost \$6.20 each.

Cost of medical treatment charged by practitioners.

A large number of medical practitioners and providers of ancillary medical services do not bulk bill and adopt a scale of fees which differentiate between concession card holders (including the CSHC) and non-concession card holders.. However, as the Medicare rebate remains fixed, additional out-of-pocket costs are incurred by the latter.

Cost of medical treatment before the Medicare Safety Net takes effect.

Under the Medicare Safety Net, the amount that a person pays for a wide range of out-of-hospital medical services, over and above the Medicare rebate (otherwise known as the 'gap') counts towards the safety net. Once the safety net is reached Medicare pays 80% of subsequent out-of-pocket costs incurred during the remainder of the calendar year, except for a number of services where an upper limit or 'benefit cap' applies. For concession card holders, including the CSHC, the safety net is \$647.90 per calendar year, but for those without a concession card, the safety net is \$2030 per calendar year.

In the 2014-15 Budget it was announced that a new Medicare Safety Net would, subject to the passage of legislation, take effect from 1 January 2016. However, on 1 December 2015, it was announced that this matter had been deferred whilst the Government develops a broader Medicare and primary care reform package.

***MyPost* Concession Accounts**

When postal letter rates increased from 60 cents to 70 cents on 31 March 2014, Australia Post introduced *MyPost* concession arrangements for a range of persons holding concession cards including the CSHC.

Persons applying for and obtaining a *MyPost* concession account receive the following benefits.

- Ability to purchase up to 50 postage stamps per year at concessional rates – currently 60 cents per stamp
- Discount on Mail Hold and Mail Redirection

- A free *MyPost* Concession Card and digital mailbox to securely manage communications, pay bills and store important documents online.

Cost of travel on Great Southern Rail Services

Under an arrangement with the Federal Government, holders of the CSHC are entitled to significant fare privileges when travelling by Gold or Red services on the Ghan, the Indian Pacific and The Overland. For example, based on fares current until 31 March 2016 savings of \$712 are available for twin one-way Gold Service westbound travel between Sydney and Perth on the Indian Pacific (Adult fare \$2689 – CSHC fare \$1977).

Although discounted travel on these services is also available to State and Territory Seniors Card holders the comparable saving is only \$653 for the same journey.

In the 2014-15 Federal Budget the government decided to discontinue funding for eligible concession travellers using Great Southern Rail services. The current funding arrangement ends on 30 June 2016. As a result of this funding withdrawal, Great Southern Rail advises that current discounts provided to Commonwealth Seniors, Pensioners and Veterans can no longer be offered. However, from 1 July 2016 Great Southern rail will provide a temporary transitional 20% discount for the 2016-17 financial year.

Mike Duff, January 2016