

Non-medicare expenses for not-for-profits

Are your volunteers aware of the gap?

Volunteers are an essential lifeblood for many NGOs and community organisations. According to Volunteering Australia, over 6.1 million Australians, or 36% of the nation, volunteered in 2010 when the last survey was conducted. And while workers' compensation legislation covers paid workers if an accident happens, what if you are a volunteer? What are the insurance limitations and where do you stand as an employer of volunteers?

There is no existing legislation at the federal or state level that says organisations must take out Volunteering Insurance. Not-for-profits can however, take out not-for-profit insurance for general cover, and most organisations take out a Voluntary Workers Personal Accident Policy, which covers accidental injury or death. But this leaves a gap because it only covers non-Medicare medical expenses like dental, ambulance, chiropractor, physiotherapy, osteotherapy, private hospital accommodation costs and the like. Because of legislation, insurers cannot cover any out of hospital expenses that have a Medicare component.

It's not as if this is a new thing – when the government introduced Medicare it amended the National Health Act (1953, Commonwealth), the Health Insurance Act (1973, Commonwealth), and later the Private Health Insurance Act (2007, Commonwealth), ensuring insurers were locked out from providing full cover for any medical expenses that Medicare was to cover. These laws state that where there is a contract of insurance, the insurer isn't liable to make a payment for anything that is rendered by these acts. The onus is thus on Medicare to cover the client.

Sounds all well and good, but how does this work in practice? We all know that there can be minor injuries sustained in the workplace as part of everyday operations. If you are a volunteer and you jam your hand in a door or have a fall and injure your knee, for instance, you may well be liable for some expenses. The doctor will charge a fee, say \$100, of which Medicare will only rebate 75%, and you will be out of pocket for the remaining \$25—unless you go to a hospital or a clinic that bulk bills.

This gap in the market and the Medicare coverage affects anyone who engages volunteers, including not-for-profit, charity and community organisations. Essential services like community transport, food delivery, respite care, community bus drivers and others in the community sector, like those who assist the elderly and their carers, etc., are all affected.

As a responsible manager or CEO, your organisation will no doubt already be implementing and promoting best practices and workplace safety. There's no need to be alarmist about the gap in insurance coverage for volunteers, but equally in the spirit of transparency, it's an issue that volunteers do need to be aware of. No one wants a volunteer to incur financial costs from their time volunteering, or to have unrealistic expectations that the organisation should pay for any gaps in medical expenses.

The best path forward is one of knowledge, and forewarned is forearmed.

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