

Major health insurer opens door to psychedelic drugs



MDMA is one of the substances scientists suggest show promising healing properties for mental illnesses. Picture: iStock

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- **EXCLUSIVE**

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HIF looks set to become the first Australian health insurer to cover psychedelic substances such as ecstasy and psilocybin – more commonly known as magic mushrooms – as evidence grows that the drugs can help people with mental health issues including PTSD, substance abuse, and anxiety.

HIF chief Justin James says psychedelics’ medicinal potential is “extraordinary” and imagines a future for the health insurance firm to play a role in delivering them to Australians.

It is the first sign that health insurance firms are taking note of growing medical interest in the healing potential of drugs that were, until recently, most commonly understood as illicit hallucinogens.

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“I have a keen interest in what is coming and what we, in being a health fund, can provide members into the future – particularly around better choice and access,” Mr James said.

“Post-Covid, we’re seeing one in five claims ... for mental health episodes, and that’s appearing in much younger areas of society than it ever has before. That means our members are going to suffer more ... if we don’t have alternatives, if we don’t start seeing some progressive ways to deal with these issues.”

HIF is a Perth-based not-for-profit health fund that reported 104,163 members by the middle of 2021 and boasts the largest customer base in Western Australia.

CSIRO recently announced it would be working with biomedical companies to test and develop psychedelic medicines and patient experiences.

Mr James said he wants HIF to be at the “forefront” of helping its members access medicines if and when psychedelics make it through regulatory and clinical hurdles.

“We also want to play a significant role partnering with providers and manufacturers to reduce the cost that we might not be able to cover in a full rebate as well,” he said.

HIF has a track record of being an early adopter of newer medical treatments; it was the first Australian health insurance provider to provide coverage for medicinal cannabis in 2020.

“I think for a small to medium company like ourselves, our members want to see us differentiate by being able to tap into what’s new and what’s coming,” Mr James said. “That is a differentiator and I think that’s something that we pride ourselves on being able to do.”

Mr James expressed optimism in the tone of national conversation about the potential of psychedelics. “I think there’s a genuine inquiry and intrigue,” he said. “Hopefully that leads to quicker change. “The sooner the better if it’s going to work.”

Researchers say psychedelics are particularly promising for patients who do not respond to traditional psychotherapy.

Almost half of all Australians are estimated to suffer from a mental health disorder at some point in their lifetime, of whom more than a third do not respond to existing treatments.

The federal Health Department last year provided \$15m in grants to promote research in the burgeoning field. The US Food and Drug Administration labelled psilocybin and MDMA as “breakthrough therapies” – describing promising treatments that could fulfil an unmet need.

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