

2014

PRIVATE HEALTH INSURANCE OMBUDSMAN

State of the Health Funds Report



Australian Government

Private Health Insurance Ombudsman



Private Health Insurance Ombudsman State of the Health Funds Report 2014

Relating to the financial year 2013-14.

Report required by 238-5(c) of the *Private Health Insurance Act 2007*.

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Report design and production by Surveillance.net.au

Foreword

I am pleased to present the eleventh annual *State of the Health Funds Report* relating to the financial year 2013–14. The *Private Health Insurance Act 2007* (Cth) requires that the Private Health Insurance Ombudsman (PHIO) publish the *State of the Health Funds Report* after the end of each financial year to provide comparative information on the performance and service delivery of all health funds¹ during that financial year.

The information in the report supplements information available on PHIO's consumer website PrivateHealth.gov.au, which was developed and is maintained by PHIO. The consumer website provides a range of information to assist consumers' understanding of private health insurance and select or update their private health insurance policy. The information on the consumer website, together with the *State of the Health Funds Report* itself, makes it easier for consumers to choose health insurance policies that better meet their individual needs.

The reason for publishing the report is to provide consumers with additional information to assist them make decisions about private health insurance. For existing policyholders, the report details information that will allow them to compare the performance of their fund with all other health funds. For those considering taking out private health insurance for the first time, the report provides an indication of the services available from each fund and a comparison of some service and performance indicators at the fund level.

The range of issues and performance information contained in the report has been chosen after taking into account the availability of reliable data and whether the information is reasonably comparable across funds. The information included in the report is based on data collected by the Private Health Insurance Administration Council (PHIAC), as part of its role in undertaking statistical reporting and monitoring of the financial management of health funds.

I would like to acknowledge the significant contributions of PHIO staff members, Alison Leung and Henny Oentojo, in the production of the report. I would also like to thank PHIAC for its assistance and advice in relation to the report.



David McGregor

Private Health Insurance Ombudsman (A/g)

March 2015

1. For the purposes of this report, Australian registered private health insurers are referred to as health funds.

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Introduction

USING THIS REPORT TO COMPARE FUNDS

You can use the information contained in this report either to identify possible funds to join or to assess your current fund's performance.

No single indicator should be used as an indicator of overall fund performance. In most cases, a seemingly poor performance on one indicator will be offset by a good performance on other factors.

THE STATE OF THE HEALTH FUNDS REPORT

The *State of the Health Funds Report* (SOHFR) compares how health funds perform across the following criteria:

- Service Performance
- Hospital Cover
- Medical Gap Cover
- General Treatment (Extras) Cover
- Financial Management
- Health Fund Operations

You can use the information contained in this report to identify possible funds to join, or to assess your existing fund's performance if you're reviewing your current needs.

You can use the range of indicators included in this report as a menu to choose the factors of most importance to you—not all factors will be of equal importance to every individual or family.

For instance, if you prefer to do business with a health fund in person, then you should consider the availability of retail offices to be an important consideration. However, if you prefer to do as much of your business as possible over the internet, the range of services available through the funds' websites will be more important than the branches.

More information about particular indicators is provided in the explanations preceding each of the tables in this report.

If you're considering taking out private health insurance for the first time, the Ombudsman suggests you use the report to identify a number of funds—preferably at least three—for further investigation.

None of the indicators used in this report should be relied on solely as an indicator of fund performance. In most cases, a seemingly poor performance on one indicator will be offset by a good performance on other factors.

WHERE TO FIND MORE INFORMATION ABOUT SELECTING A POLICY

The PHIO brochure 'Health Insurance Choice: Selecting a Health Insurance Policy' includes important advice on what to consider and what questions to ask when selecting a hospital cover policy. It also includes information on government incentives relating to hospital cover such as the 'Medicare Levy Surcharge Exemption' and 'Lifetime Health Cover'.

These brochures, as well as other publications, can be found on Phio.gov.au or obtained on request from the Ombudsman's office.

The report does not include detailed information on price and benefits for particular health insurance policies. Information on specific policies is available from the Ombudsman's consumer website PrivateHealth.gov.au, where you can search for and compare information about every health fund and policy in Australia.

Disclaimer: Nothing contained in this report should be taken as a recommendation by the Private Health Insurance Ombudsman in favour of any particular health fund or health insurance policy.

FUND NAMES

Throughout this report, health funds are referred to by an abbreviation of their registered name, rather than any brand name that they might use. This abbreviated name appears on the left side of the heading for each fund in the Health Fund Listing section. Some open membership funds use several different brand names.

CURRENT AND RECENT BRAND NAMES

Brand Name	Fund
Australian Country Health	Medibank
Australian Health Management	Medibank
Country Health	Medibank
CY Health	Healthguard
Druids	GMHBA
Federation Health	Latrobe
Frank, FIT, RACT	GMHBA
GMF Health	Healthguard
Goldfields	Healthguard
Government Employees	Medibank

Brand Name	Fund
Grand United	Australian Unity
HBA	BUPA
Illawarra Health Fund	Medibank
IOOF	NIB
IOR	HCF
Manchester Unity	HCF
MBF	BUPA
Mutual Community	BUPA
Mutual Health	Medibank
NRMA Health	BUPA
SGIC (SA)	BUPA
SGIO (WA)	BUPA

ABOUT THE DATA USED IN THIS REPORT

The information used in the Report in order to compare health funds is based on data collected for regulatory purposes. This information is the most appropriate, independent and reliable data available.

The Report is intended to help you to decide which health funds to consider, though it won't necessarily indicate which of the fund's policies to purchase. Virtually all funds offer more expensive policies that can be expected to provide better than average benefits as well as cheaper policies that provide less.

OPEN AND RESTRICTED MEMBERSHIP HEALTH FUNDS

Membership of 'open' health funds is available to everyone.

'Restricted membership' health funds have certain membership criteria which mean they aren't available to all consumers. For example, membership may be restricted to employees of certain companies or occupations, or members of particular organisations.

Where applicable, open and restricted membership funds are listed separately in each of the tables in this report.

INFORMATION ABOUT POLICIES

The information included in the report on fund contributions and benefits indicates the average outcomes across all of a fund's policies and so can't be taken as an indicator of the price or benefit levels that can be expected for any particular policy.

Virtually all funds offer more expensive policies that can be expected to provide better than average benefits and most also offer cheaper policies that provide less.

This Report can help you to decide which health funds to consider, but won't necessarily help you to decide which of the funds' policies to purchase.

For information about specific policies, the website PrivateHealth.gov.au enables you to view standard information outlining the main features of any health insurance policy. You can compare Standard Information Statements for any policy available for purchase from any fund, including the level of cover, excess and price. The website is also a good resource of independent and reliable information about private health insurance.

DATA COLLECTION

The need to obtain independent, reliable data has been a key consideration in putting together the report. The data selected by the Ombudsman as the most appropriate available is collected by the industry regulator, the Private Health Insurance Administration Council (PHIAC). PHIAC has supplied most of the data published in this report.

Funds report to PHIAC for regulatory purposes and not all of the data is publicly available. Some of this information is useful to consumers and is therefore reproduced in this report. You should note that the data is collected primarily for regulatory purposes and not for the purposes of the *State of the Health Funds Report*. Accordingly, it's important to read the accompanying text explaining the data in conjunction with the tables.

As funds differ in size, most of the statistical information is presented as percentages or dollar amounts per membership, for easier comparison. No attempt has been made to weight the importance of various indicators, as these are subjective judgements very much dependent on your particular circumstances, preferences and priorities. For this reason, it would not be valid to average all the scores indicated to obtain some form of consolidated performance or service delivery score.

The report provides you with additional information about the benefits that were paid by each fund over the last year. The report also provides information about the extent of cover provided for hospital, medical and general treatment, and any state based differences in coverage. The selection of indicators used in this report is not intended to represent the full range of factors that should be considered when comparing the performance of health funds. The range of indicators has been limited to those for which there is reliable comparative information available.

Key Consumer Issues

In 2013-14, there was a 16% increase in the number of complaints made to the Private Health Insurance Ombudsman (PHIO) with 3,427 complaints recorded, compared with 2,955 the previous year.

The number of higher-level complaints requiring PHIO's intervention increased from 450 last year to 580, an increase of 28%. This placed a significant burden on the office of the PHIO to respond to the higher workload and maintain service levels.

Despite the increase in complaints, PHIO's complaint service managed a small improvement in overall satisfaction with 86% of complainants satisfied compared to 85% the year before. Much of the reason why PHIO was able to maintain high satisfaction, despite the increased workload, is attributable to the long-standing arrangements it has made with funds to respond to complaints quickly and to improve the quality of complaint handling throughout the industry.

INTRODUCTION

PHIO is the statutory government agency tasked under the *Private Health Insurance Act 2007* (Cth) with protecting the interests of people covered by private health insurance.

PHIO provides independent, objective, accessible and timely complaints handling and advice services to government, industry and Australia's eleven million health insurance consumers. In carrying out its role, PHIO promotes confidence in and supports the Government's commitment to private health insurance. As a small agency, PHIO is able to provide these services efficiently and effectively, in a way that achieves value for money.

Under the *Private Health Insurance Act 2007* (Cth), PHIO's objective is to protect the interests of people covered by private health insurance. PHIO carries out this role through a range of functions and services, including:

- PHIO's reporting and advice to government and industry and government about complaints and issues of concern to consumers;
- PHIO's independent complaints handling service which operates nation-wide;
- mediation of contract disputes between health funds and private hospitals;
- consumer education and advice services, which include the consumer website, PrivateHealth.gov.au; and

— mediation of contract disputes between health funds and private hospitals.

In particular, PHIO's consumer information and advice services have become increasingly important in recent years. The availability of independent and reliable information to assist consumers better understand their private health insurance and choose policies that meet their needs and those of their families will continue to be an important resource as commercial 'information brokerages' seek to position insurer clients into the consumer marketplace.

Accordingly, PHIO's role in handling complaints about health funds, hospitals and providers, acting as an independent complaint handler and keeping track of complaint trends is crucial in achieving the best health outcomes for consumers. Using this information gathered through the complaint process, PHIO can inform government and industry of the causes of complaints and where attention could be directed to address any concerns. For individual funds and service providers, PHIO provides additional resources to assist them in reducing their complaint levels.

PHIO's regulatory approach of continuously monitoring complaint trends serves consumers well, as both individual complaints and systemic problems in the industry can be identified and dealt with quickly and efficiently.

For the health insurance industry and the government, PHIO regularly reports on complaint trends in the *PHIO Quarterly Bulletins* and *Annual Report*, both of which are available on the PHIO website (Phio.gov.au).

KEY COMPLAINT ISSUES FOR 2013-14

The leading causes of complaints to PHIO during the year were oral advice, hospital exclusions and restrictions, service complaints and the pre-existing condition waiting period.

The overall theme linking these key complaint issues together is the quality of information provided to members about health insurance policies and claiming benefits. Health funds and others in the industry are encouraged to continuously monitor and improve the quality of information they provide to policyholders in assisting to keep health insurance complaints as low as possible.

ORAL ADVICE COMPLAINTS

PHIO recorded 410 oral advice complaints during the year, which was a significant increase (40%) on the 289 received the year before. It appears that this is a long-term issue for health funds in meeting the expectations of consumers in providing quick and simple answers to basic questions.

For some time PHIO has been encouraging health funds to address oral advice complaints by ensuring that: phone calls are recorded wherever possible; accurate records are kept by retail centre and branch staff; and in ensuring that frontline staff members are given more resources to answer and record consumer enquiries. The adoption of these steps means that most complaints about oral advice can be resolved quickly by reviewing call recordings. Given that the number of complaints are still increasing, PHIO considers that more work needs to be done by funds in addressing consumer concerns about oral advice.

Firstly, funds should ensure that a record is created whenever an assurance is made to a consumer that a benefit will be paid at a certain level. The recording of telephone calls is a mechanism that assists both the funds and their customers in ensuring advice is accurate. It appears, however, that a high proportion of oral advice complaints concern advice provided over the counter in retail offices. The majority of health funds do not have the same processes in place for recording conversations made in retail offices as they do in telephone call centres where a computer system can automate the process. PHIO understands there are difficulties in making a record of advice provided in a retail office, however, when a specific benefit is promised to a consumer, a notation or system note of the advice still needs to be made. PHIO encourages all funds to review their retail office processes to improve the level of record keeping.

Secondly, it would be helpful if funds could review the level of training and resources made available to officers responsible for providing advice to consumers and ensure staff have the required level of resources to fully meet their needs. PHIO can assist health funds understand the cause of consumer complaints and improve the quality of information they are providing to consumers.

Some of the complaints to PHIO concern instances where a consumer is speaking to a health fund about a proposed hospitalisation and there are missed opportunities to advise the consumer about what they need to know about their cover and potential expenses. Broader training about the information a patient or policyholder might need to know would help reduce these missed opportunities.

Complainants sometimes express concern that they did not know the questions they needed to ask at the time they contacted their health fund. For example, if a consumer is advised that she is going to be covered 100% for her hospital costs in a private hospital, then the fund also needs to advise her how her medical costs will be covered and that she will potentially be out-of-pocket for her doctor's charges in hospital.

When consumers contact a health fund concerning a proposed hospitalisation, the health fund has an opportunity to help them by encouraging them to ask their doctors about their fees. By providing broader advice to consumers, the chances of complaints concerning oral advice are reduced and it assists consumers in seeking informed financial consent from practitioners.

HOSPITAL EXCLUSIONS & RESTRICTIONS

PHIO received 242 complaints concerning hospital exclusions and restrictions affecting benefits to consumers during 2013–14. This was an increase of 34% on the previous year when 180 complaints were received.

These complaints mostly occur where a consumer is not aware that a particular benefit is not covered on their policy, or believes that a particular hospital treatment has been incorrectly defined as a restricted or excluded service.

For example, PHIO received a complaint where a consumer was contesting a health fund's view as to whether a treatment to a lumbar joint in their back should be considered restricted. The restriction was worded as "Joint Replacements i.e. Shoulder, knee, hip and elbow, including revisions", which the fund believed indicated that lumbar joint treatments were restricted. The consumer felt that because a joint was not replaced and because the procedure was a minor lumbar procedure that it should not be considered as restricted under the "Joint Replacement" restriction. After investigation by PHIO, the health insurer agreed that most consumers would not normally consider the specific procedure in question a joint replacement and a benefit was paid.

The main reason why consumers choose health insurance policies with restrictions is to lower their premiums and forgo cover for services they feel may not be needed. The difficulty for the consumer is in knowing what services they may or may not need in the future.

By taking a lower level of cover consumers are increasing the risk that they might not be covered for certain treatments. In cases such as psychiatric care or cardiac surgery, there are significant examples of cases where people believed they did not need such cover, but subsequently regretted their decision when treatment for such conditions was required at a later time.

PRE-EXISTING CONDITION COMPLAINTS

PHIO received 229 complaints concerning the application of the Pre-Existing Condition (PEC) waiting period during the 2013–14 year. This is similar to the 207 complaints recorded the previous year.

The PEC waiting period applies in the first twelve months of a new policy holder joining a fund or an existing policy holder upgrading to access higher benefits of a new policy. The waiting period protects long-term contributors to private health insurance by preventing the possibility of people joining only when they may need treatment.

For a condition to be deemed pre-existing under the rules, the medical adviser appointed by the health fund

must be of the opinion that signs and symptoms of the illness, ailment or condition were in existence during the six months prior to the commencement or upgrade of the policy. If a condition is assessed as not being pre-existing, then a benefit is payable according to the normal terms of the policy.

PHIO receives complaints about the PEC waiting period where a policyholder disagrees with or does not understand the decision that has been made by the fund's medical adviser. PHIO consistently finds that funds which provide good information when declining a claim under the PEC waiting period have lower levels of complaints. A good practice for funds to adopt when communicating the PEC decision is to ensure the policyholder understands what specific signs and symptoms the medical adviser is relying upon to indicate the condition in question existed before the policy started. Funds should also advise members that there is a right of appeal if further medical information is available which could change the medical adviser's view.

GENERAL SERVICE ISSUES

PHIO recorded 554 complaints concerning general service issues in 2013–14, an increase from 457 the previous year. Of these, 25% were related to premium payment problems, mostly associated with direct debits.

The remaining complaints were associated with customer service and administrative delays. These complaints often concern relatively simple matters where someone has been waiting for a response from a health fund to a matter and contacts PHIO when they become dissatisfied with the length of time taken to resolve the issue.

Rather than rely on the internal escalation process of a fund, the consumer chooses to raise a complaint with PHIO which ensures that a response is provided in a timely manner. Funds with efficient complaint escalation processes tend to avoid receiving these types of complaints.

HELPING CONSUMERS UNDERSTAND PRIVATE HEALTH INSURANCE

Private health insurance continues to be a dynamic area of operation with regular changes for consumers and industry to absorb. Health fund members are increasingly turning to new forms of media to communicate with their funds, including email and social media, as well as traditional forms of communication such as the telephone and mail.

Most health fund websites now offer the facility for members to contact their fund, manage their membership, submit claims and select a health insurance policy; with many health funds also venturing into social media channels including Facebook, Twitter and YouTube. There has also been an increase in the number of commercial, online comparison sites that allow consumers to compare and choose health insurance policies. This means that PHIO's role as Australia's leading, independent source of information and advice for consumers about private health

insurance, free of any commercial influence, will continue to be important.

In this regard, PHIO provides a number of resources that enable consumers to better understand their health insurance and assist them in making informed choices about their health care. These consumer information services help address the key causes of complaints as expressed by complainants to PHIO. These resources are especially helpful in addressing some of the key consumer issues for 2013–14, including oral advice complaints and hospital exclusions and restrictions complaints. By helping consumers understand their benefit entitlements, PHIO ensures they are more knowledgeable about their cover and can make more informed choices about their health insurance and medical treatment.

PHIO's fact sheets and brochures aim to address common causes of complaints by providing advice to consumers based on our complaint handling experience. These are available at the PHIO website (Phio.gov.au). Many consumers also locate PHIO's fact sheets using Internet search terms such as 'pre-existing condition' when they encounter an issue with their health fund.

The current list of fact sheets available include:

- **Obstetrics and Pregnancy:** questions to ask your fund if you're planning to start a family;
- **Premium Increases:** the reasons and processes behind premium increases;
- **Informed Financial Consent:** your right to ask about fees when going to hospital;
- **Membership Arrears:** keeping your policy payments up to date;
- **Policy Exclusions and Restrictions:** what isn't covered on your policy;
- **Mental Health Treatment and Health Insurance:** cover for psychiatric services, rehabilitation and psychology;
- **Plastic and Reconstructive Surgery:** items your policy may not cover;
- **Clearance Certificates:** what to do if transferring between funds;
- **Assisted Reproductive Services:** what can be covered for IVF, GIFT and related services;
- **Podiatric Surgery:** cover for surgical treatment from podiatric surgeons
- **The Pre-Existing Conditions Rule:** how it applies and PHIO's role in complaints;
- **Dental and Oral Surgery:** how private health insurance covers dental surgery
- **Orthodontic Treatment:** what it involves and how it's covered by private health insurance; and
- **Insulin Pumps:** how private health insurance covers insulin pumps.

PHIO also manages the consumer website PrivateHealth.gov.au. This website is an Australian Government initiative, which allows consumers to easily compare every health insurance product available in Australia. Every health insurance policy available in

Australia can be viewed on the consumer website in a Standard Information Statement (SIS) format. Health funds are also required to send an SIS to all their policyholders annually so they can compare their own policies. PrivateHealth.gov.au also contains independent and reliable information about how private health insurance works.

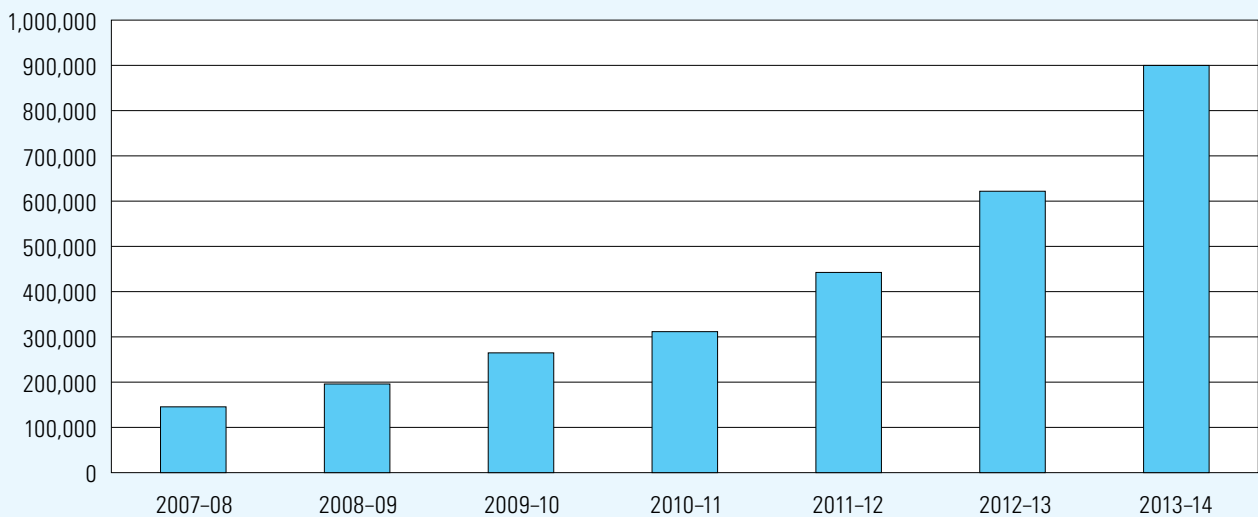
These resources collectively assist consumers in being better informed about their rights and responsibilities in relation to their private health insurance cover and how they are affected by government surcharges and incentives.

Consumers can also seek advice from PHIO staff members via the consumer website's enquiries line on 1300 737 299 and 'Ask a Question' feature. In 2013-14, PHIO responded to 1,584 consumer enquiries through the consumer website in 2013-14, these enquiries are recorded separately to PHIO's complaints.

Overall, approximately 60% of the total number of enquiries dealt with by PHIO are received via the website, either by email or telephone. The most frequent questions were about Lifetime Health Cover, the Medicare Levy Surcharge, the Australian Government Private Health Insurance Rebate, waiting periods and assistance with using the website to compare policies.

In 2013-14, the consumer website received 899,841 unique visitors, an increase of 45% on the previous year. Usage of the consumer website has continued to grow annually since the website's launch in 2007. Analysis of the available data suggests that general growth of the site's usage can be attributed to the site becoming better known via recommendations and search results, PHIO's own initiatives to promote the website to consumers and regular reminders of the site's existence in annual mailings of SISs and the Department of Health's Annual Lifetime Health Cover letter mailings.

FIGURE 1 — PrivateHealth.gov.au Unique Visitors by Year



Health Fund Listing and Contact Details

The following tables list all Australian registered health funds. The 'open' membership funds provide policies to the general public. The 'restricted' funds provide policies only through specific employment groups, professional associations or unions.

TABLE 1A—Open Membership Health Funds

Abbreviation	Full name or other names	Phone Number	Website
AU	Australian Unity Health Ltd	132 939	www.australianunity.com.au
BUPA	Bupa Australia Pty Ltd	134 135	www.bupa.com.au
CDH	CDH Benefits Fund Ltd	02 4990 1385	www.cdhbf.com.au
CUA Health	CUA Health Ltd	1300 499 260	www.cuahealth.com.au
GMHBA	GMHBA Ltd, Frank, FIT, RACT	1300 446 422	www.gmhba.com.au
GU Corporate	Grand United Corporate Health	1800 249 966	www.guhealth.com.au
HBF	HBF Health Ltd	133 423	www.hbf.com.au
HCF	Hospitals Contribution Fund of Australia	131 334	www.hcf.com.au
HCI	Health Care Insurance Ltd	1800 804 950	www.hcilt.com.au
Health.com.au	Health.com.au	1300 199 802	www.health.com.au
Healthguard	Central West Health Cover GMF Health	133 206 1300 653 099	www.centralwesthealth.com.au www.gmfhealth.com.au
Health-Partners	Health Partners Ltd	1300 113 113	www.healthpartners.com.au
HIF	Health Insurance Fund of Australia Ltd	1300 134 060	www.hif.com.au
Latrobe	Latrobe Health Services	1300 362 144	www.latrobehealth.com.au
MDHF	Mildura District Hospital Fund Ltd	03 5023 0269	www.mdhf.com.au
Medibank	Medibank Private Ltd Australian Health Management	132 331 134 246	www.medibank.com.au www.ahm.com.au
NIB	NIB Health Funds Ltd	131 463	www.nib.com.au
Onemedifund	National Health Benefits Fund Australia Pty Ltd	1800 148 626	www.onemedifund.com.au
Peoplecare	Lysaght Peoplecare Limited	1800 808 690	www.peoplecare.com.au
QCH	Queensland Country Health Fund Ltd	1800 813 415	www.qldcountryhealth.com.au
St Lukes	St. Lukes Health	1300 651 988	www.stlukes.com.au
Transport	Transport Health Pty Ltd	1300 806 808	www.transporthealth.com.au
Westfund	Westfund Health Insurance	1300 937 838	www.westfund.com.au

TABLE 1B—Restricted Membership Health Funds

Abbreviation	Full name or other names	Phone Number	Website
ACA	ACA Health Benefits Fund	1300 368 390	www.acahealth.com.au
CBHS	CBHS Health Fund Ltd	1300 654 123	www.cbhs.com.au
Defence Health	Defence Health Ltd	1800 335 425	www.defencehealth.com.au
Doctors' Health	The Doctors' Health Fund	1800 226 126	www.doctorshealthfund.com.au
Navy	Navy Health Ltd	1300 306 289	www.navyhealth.com.au
Phoenix	Phoenix Health Fund	1800 028 817	www.phoenixhealthfund.com.au
Police Health	Police Health	1800 603 603	www.policehealth.com.au
RT Health Fund	Railway and Transport Health Fund Ltd	1300 886 123	www.rthealthfund.com.au
Reserve Bank	Reserve Bank Health Society Ltd	1800 027 299	www.myrbhs.com.au
Teachers Health	Teachers Health Fund	1300 728 188	www.teachershealth.com.au
TUH	Teachers' Union Health Fund	1300 360 701	www.tuh.com.au

Service Performance

The level of complaints that the PHIO receives about a fund, relative to its market share, is a reasonable indicator of the service performance of most funds.

Whether a fund can attract new members and more importantly, retain members is also an indicator of member satisfaction.

MEMBER RETENTION

The member retention indicator is used as one measure of the comparative effectiveness of health funds and their level of member satisfaction. This indicator measures what percentage of fund members (hospital memberships only) have remained with the fund for two years or more. Figures are not adjusted for policies that lapse when a member dies, as these are not reported to PHIAC.

Most restricted membership funds rate well on this measure compared to open membership funds. This may be due to the particular features of restricted membership funds, especially their links with employment.

MEMBERSHIP CHANGE

The membership change indicator shows the change in the number of policy holders over the year from 30 June 2013 to 30 June 2014. Both the percentage change and number are included. Negative figures indicate that the fund has experienced a net reduction in membership over the period. As indicated above, member deaths would account for some of this figure.

PHIO COMPLAINTS IN CONTEXT

The number of complaints received by the PHIO is very small compared to fund membership.

There are a number of factors (other than service performance) that can influence the level of complaints the PHIO receives about a fund. These include the information provided to fund members about the PHIO through general publicity or by the fund and the effectiveness of the fund's own complaint handling.

COMPLAINTS PERCENTAGE COMPARED TO MARKET SHARE PERCENTAGE

The first table includes all funds with a national market share of 0.5% or more.

In that table each fund's market share (as at 30 June 2014) is shown in the shaded column. Subsequent columns show the percentage of PHIO complaints in various categories that each fund accounts for. These percentages should be compared with the market share percentage.

If a fund has a higher complaints percentage than their market share, it indicates that members of that fund are more likely to complain than the average of all fund members.

The table also indicates what percentage of Benefit and Service complaints are received about each fund:

- **Benefit** complaints include problems of non-payment, delayed payment, the level of benefit paid or the level of gap needing to be paid by the member.
- **Service** complaints are about the general quality of service provided by fund staff, the quality of oral and written advice and premium payment problems.
- **All Complaints** takes account of all complaints received by PHIO about the fund. All Complaints includes Complaints Investigated as well as complaints that were finalised without the need for investigation.
- **Complaints Investigated** is a measure of how many complaints required a higher level of intervention from the Ombudsman. Most complaints to the Ombudsman can be finalised by referring the matter to fund staff to resolve, or by PHIO staff providing information to the complainant. Complaints which fund staff have not been able to resolve to a member's satisfaction are investigated by the Ombudsman's office—so the rating on complaints investigated is an indicator of the effectiveness of each fund's own internal complaints handling.

SMALLER FUNDS (LESS THAN 0.5% NATIONAL MARKET SHARE)

For these smaller funds, it is not practical to show the percentage of complaints in each of the above categories because of the very small numbers of complaints.

This separate table therefore shows the actual number of all complaints received and the number of complaints investigated, as well as an indicator of whether the number is below the number expected based on the fund's market share.

While these funds have a very low national market share, many are nonetheless very significant in a particular state or region.

CODE OF CONDUCT

A self-regulatory code for health funds was introduced in 2005. The Code deals with the quality of advice provided to consumers, and sets standards for training of health fund staff and others responsible for advising consumers about private health insurance. It also requires funds to have effective complaint handling procedures.

Funds that have completed the compliance processes for becoming a signatory to the code are indicated in the table (as at January 2015).

For more information about the Code of Conduct, please see: PrivateHealthCareAustralia.org.au/codeofconduct

TABLE 2A—Membership Retention and Complaints

Fund Name (Abbreviated)	Member Retention (hospital cover)	Membership Change ¹ % (number)	Complaints % compared to Market Share %					Code of Conduct Member
			Market Share	Benefits	Service	All Complaints	Complaints Investigated	
Open membership funds								
AU	83.8%	1.3% (2,571)	3.2%	5.2%	6.8%	5.6%	4.2%	Yes
BUPA	87.3%	2.6% (41,881)	26.7%	32.6%	39.7%	35.6%	46.6%	Yes
CUA Health	77.3%	15.4% (4,381)	0.5%	0.8%	0.6%	0.9%	0.4%	Yes
GMHBA	80.6%	7.2% (8,185)	1.9%	2.1%	0.8%	1.7%	1.0%	Yes
HBF	90.6%	0.9% (4,257)	7.4%	2.3%	4.8%	3.1%	2.4%	Yes
HCF	86.6%	2.1% (14,084)	10.8%	10.9%	12.0%	12.2%	10.5%	Yes
Healthguard	82.9%	5.1% (1,559)	0.5%	0.0%	0.6%	0.2%	0.0%	Yes
Health-Partners	89.0%	1.5% (557)	0.6%	0.2%	0.4%	0.4%	0.0%	Yes
HIF	82.4%	15.0% (5,725)	0.7%	0.8%	0.8%	0.8%	0.6%	Yes
Latrobe	77.0%	-0.3% (-134)	0.7%	0.6%	0.2%	0.4%	0.4%	Yes
Medibank	78.6%	1.5% (26,328)	29.1%	22.6%	19.8%	21.3%	17.1%	Yes
NIB	83.8%	3.1% (14,530)	7.7%	12.1%	7.8%	10.5%	8.7%	Yes
Westfund	90.4%	4.0% (1,817)	0.7%	1.1%	0.4%	0.6%	0.2%	Yes
Restricted membership funds								
CBHS	93.4%	4.3% (3,449)	1.3%	1.1%	1.2%	1.0%	0.8%	Yes
Defence Health	91.2%	5.5% (5,544)	1.7%	1.2%	0.2%	0.8%	0.6%	Yes
Teachers Health	93.5%	7.2% (8,314)	2.0%	3.0%	1.2%	1.7%	2.0%	Yes

1. The industry experienced a growth of 2.7% or 168,182 memberships overall.

TABLE 2B—Smaller Funds (less than 0.5% National Market Share)

Fund Name (Abbreviated)	Member Retention (hospital cover)	Membership Change ¹ % (number)	Number Complaints Received	Below market share?	Number Complaints Investigated	Below market share?	Code of Conduct Member
Open membership funds							
CDH	90.1%	0.2% (6)	0	Yes	0	Yes	No
GU Corporate	65.4%	1.0% (255)	12	Yes	4	No	Yes
HCI	93.1%	4.7% (186)	2	Yes	0	Yes	Yes
Health.com.au ²	70.0%	99.6% (15,793)	26	No	10	No	No
MDHF	90.0%	1.1% (153)	3	Yes	0	Yes	No
Onemedifund	99.5%	3.7% (196)	2	Yes	0	Yes	Yes
Peoplecare	98.4%	1.6% (494)	13	Yes	2	Yes	Yes
QCH	87.1%	6.6% (1,147)	1	Yes	0	Yes	Yes
St Lukes	88.0%	5.0% (1,158)	9	Yes	2	Yes	Yes
Transport	83.1%	4.2% (192)	2	Yes	0	Yes	Yes
Restricted membership funds							
ACA	93.9%	0.8% (40)	1	Yes	1	No	Yes
Doctors' Health	89.4%	8.1% (866)	2	Yes	0	Yes	Yes
Navy Health	90.1%	10.9% (1,699)	1	Yes	0	Yes	Yes
Phoenix	91.2%	1.0% (68)	2	Yes	0	Yes	Yes
Police Health	90.5%	3.8% (702)	4	Yes	0	Yes	Yes
RT Health Fund	88.7%	0.8% (174)	13	Yes	3	No	Yes
Reserve Bank	92.2%	1.4% (29)	0	Yes	0	Yes	Yes
TUH	92.4%	6.5% (1741)	4	Yes	0	Yes	Yes

1. The industry experienced a growth of 2.7% or 168,182 memberships overall. 2. This is a new insurer, so percentage membership change is from a very low base.

Hospital Cover

This table provides a general comparison of health insurance for private hospital treatment. A higher percentage indicates that, on average, the fund's members are covered for a higher proportion of hospital charges.

It's important to remember most funds offer a choice of different policies—the percentages indicated in this table aren't indicative of any single policy, but are an average of all policies offered by the fund.

HOSPITAL COVER

This table provides a general comparison of health insurance for private hospital treatment (hospital cover) provided by each fund.

Hospital cover provides benefits towards the following costs if you elect to be a private patient in a private or public hospital:

- hospital fees for accommodation, operating theatre charges and other charges raised by the hospital;
- the costs of drugs or prostheses required for hospital treatment; and
- fees charged by doctors (surgeons, anaesthetists, pathologists, etc) for in-hospital treatment.

Most funds offer a choice of different policies providing hospital cover. These policies may differ on the basis of the range of treatments that are covered, to what extent those treatments are covered, the level of excess or co-payments you may be required to pay if you go to hospital, and the price and discounts available to you.

HOSPITAL CHARGES COVERED

This column indicates the proportion of total charges associated with treatment of private patients covered by each fund's benefits. This includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit), excesses or co-payments and associated benefits.

The figures shown are average outcomes across all of each fund's hospital policies. Higher cost policies will generally cover a greater proportion of charges than indicated by this average. Cheaper policies, including those with higher excesses or co-payments, may cover less.

The use of an average figure applying across all of each fund's policies will mean that funds with a high proportion

of their membership in lower cost/reduced cover policies will have a lower average figure.

Information is not provided for some funds in some states, where there were insufficient numbers reported to PHIAC—generally this occurs in states where the fund does not have a large membership.

The information provided in this table presents the position taking account of all of each fund's policies. It is not indicative of any individual policy offered by the fund but is an average for the total fund membership.

ADDITIONAL INFORMATION

The separate Health Fund Operations by State or Territory tables in this Report include information on the number of 'agreement hospitals' under contract to each fund in each state.

For additional information on the medical gap cover provided through hospital covers refer to the separate Medical Gap Cover section.

The PHIO brochure 'Health Insurance Choice: Selecting a Health Insurance Policy' includes important advice on what to consider and what questions to ask when selecting a hospital cover policy. It also includes information on government incentives relating to hospital cover such as the 'Medicare Levy Surcharge Exemption' and 'Lifetime Health Cover'. The brochure is available on Phio.gov.au or by phoning 1800 640 695.

PHIO CONSUMER WEBSITE

The PrivateHealth.gov.au website provides information about all private health insurance policies available in Australia, including benefits, prices and agreement hospitals for each health fund.

TABLE 3—Hospital Cover

Fund Name (Abbreviated)	% Hospital Related Charges Covered ¹							
	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
Open membership funds								
AU	80.2%	87.8%	92.2%	89.2%	91.9%	87.8%	89.5%	84.4%
BUPA	79.7%	87.6%	93.0%	89.1%	95.5%	87.6%	93.0%	87.1%
CDH	82.5%	95.1%	95.7%	93.4%	96.4%	72.8%	78.8%	N/A
CUA Health	90.5%	90.6%	92.3%	92.7%	91.1%	89.5%	78.7%	87.7%
GMHBA	69.5%	82.0%	92.4%	85.0%	89.9%	88.1%	89.7%	76.1%
GU Corporate	67.8%	85.8%	89.4%	88.3%	90.0%	86.4%	85.7%	86.7%
HBF	87.8%	90.0%	93.1%	90.3%	95.3%	95.0%	94.2%	92.0%
HCF	85.8%	93.0%	96.0%	94.7%	97.8%	93.0%	96.9%	93.2%
HCI	97.0%	64.6%	93.8%	93.6%	96.7%	94.3%	95.9%	50.5%
Health.com.au	69.5%	81.0%	84.9%	83.3%	89.5%	82.3%	85.8%	81.4%
Healthguard	85.8%	91.9%	96.3%	95.4%	98.5%	93.8%	95.0%	86.4%
Health-Partners	86.0%	91.0%	92.5%	92.7%	96.4%	91.6%	96.2%	92.8%
HIF	78.2%	87.0%	89.9%	86.7%	94.6%	90.9%	95.3%	82.8%
Latrobe	82.5%	85.8%	93.0%	89.5%	89.8%	83.9%	92.6%	93.1%
MDHF	84.4%	93.1%	93.4%	82.9%	92.5%	86.4%	95.7%	83.5%
Medibank	81.5%	89.3%	93.9%	90.4%	94.3%	91.1%	93.7%	87.6%
NIB	72.3%	85.2%	82.7%	80.5%	86.9%	80.3%	87.5%	75.3%
Onemedifund	79.9%	92.3%	94.5%	93.2%	96.3%	91.3%	95.4%	N/A
Peoplecare	80.5%	89.9%	91.6%	89.0%	93.3%	91.5%	91.4%	80.9%
QCH	100.0%	92.1%	96.0%	88.7%	92.7%	91.1%	89.9%	94.3%
St Lukes	84.0%	88.9%	93.0%	90.2%	94.2%	92.1%	94.8%	86.2%
Transport	69.2%	87.9%	96.0%	92.7%	95.8%	81.5%	N/A	11.6%
Westfund	88.7%	93.4%	97.6%	90.8%	95.9%	92.7%	95.0%	85.2%
Restricted membership funds								
ACA	88.4%	93.9%	97.3%	95.6%	98.4%	95.1%	98.7%	100.0%
CBHS	82.8%	90.2%	95.0%	92.9%	96.0%	92.4%	95.0%	89.9%
Defence Health	81.3%	90.5%	94.2%	91.5%	95.5%	91.7%	95.1%	89.2%
Doctors' Health	90.4%	94.8%	95.0%	95.1%	93.9%	91.4%	94.4%	97.7%
Navy Health	84.2%	91.3%	94.6%	91.6%	95.5%	92.9%	95.3%	85.4%
Phoenix	80.7%	96.0%	97.0%	93.6%	98.0%	94.7%	98.0%	77.3%
Police Health	82.9%	85.4%	96.5%	92.3%	98.6%	92.5%	96.4%	91.4%
RT Health Fund	91.0%	93.8%	95.1%	92.8%	96.4%	92.9%	92.9%	86.3%
Reserve Bank	84.8%	92.7%	96.9%	96.8%	98.9%	93.9%	99.0%	N/A
Teachers Health	83.7%	91.8%	94.0%	93.9%	94.9%	91.6%	93.6%	92.5%
TUH	88.4%	95.1%	93.0%	92.4%	95.4%	93.5%	95.7%	89.6%

Note: 'N/A' signifies no activity in that state. 100% is likely to indicate small numbers (e.g. only 1 episode). 1. Includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit) and associated benefits (after any excesses and co-payments are deducted).

Medical Gap Cover

Medical gap schemes are designed to eliminate or reduce the out-of-pocket costs incurred by you for in-hospital medical services. If a service is 'no gap,' it means no cost was incurred by the patient as the full cost was covered by Medicare and the health fund. A reduced cost is incurred by the patient for a 'known gap' service.

If a health fund has a higher percentage of services covered at no gap than other funds, it indicates the fund has a more effective gap scheme in that state. The figures provided are averages—it is no guarantee that a particular doctor will choose to use the fund's gap scheme.

FUND GAP SCHEMES AND AGREEMENTS

Doctors are free to decide whether or not to use a particular fund's gap cover arrangements for each individual patient. Factors that can affect the acceptance of the scheme by doctors include:

- whether the fund has a substantial share of the health insurance market in a particular state or region;
- the level of fund benefits paid under the gap arrangements (compared with the doctor's desired fee); and
- the design of the fund's gap cover arrangements, including any administrative burden for the doctor.

STATE BASED DIFFERENCES

Information is provided on a state basis because the effectiveness of some funds' gap schemes can differ between states and these differences are not apparent in the national figures.

Most differences are due to the level of doctor's fees, which vary significantly between different states, and between regional areas and capital cities. In some states, funds are able to provide more effective coverage of gaps because doctors charge less than the national average. In addition, where a doctor's fee for an in-hospital service is at or below the Medicare Benefits Schedule fee, there will be no gap to the fund member.

If a health fund's percentage of services with no gap is higher than that of a fund in another state, it does not necessarily mean the fund's scheme is more effective, because state based differences could be the cause.

Information is not provided for some funds in some states, as the numbers are not reported to PHIA for

states in which the fund does not have a large enough membership (in which case, these figures are included with figures for the state in which a fund has the largest number of members).

COMPARING DIFFERENT GAP SCHEMES

If a health fund has a higher percentage of services covered at no gap (in the same state/territory) compared with another fund, it is an indicator of a more effective gap scheme in that state. Over the whole fund, it is more likely that a medical service can be provided at no cost to the consumer, but it is no guarantee that a particular doctor will choose to use the fund's gap scheme.

It is worth noting that gap schemes are funded by membership premiums, and any increases in coverage of medical gaps may place pressure on premiums for all members of that health fund.

Percentage of Services With No Gaps—The proportion of services for which a gap is not payable by the patient after the impact of fund benefits, schemes and agreements.

Percentage of Services with No Gap or Where Known Gap Payment Made—This table includes both the percentage of no gap services and what is called 'known gap' services. Known gap schemes are an arrangement where the fund pays an additional benefit on the understanding that the provider advises the patient of costs upfront.

These tables take into account all of the fund's policies. The information in the tables is not indicative of any individual policy offered by the fund but is an average for the total fund membership.

'ACCESS GAP' PARTICIPANTS

The Access Gap scheme is the gap cover scheme operated by the Australian Health Services Alliance (AHSA) for its member funds. Because the scheme operates in the same way for all of these participant funds, the effectiveness measures are reported for the Access Gap arrangements as a whole. The measures also take into account any Medical Purchaser Provider Agreements (contracts with diagnostic services providers) established by the AHSA for participant funds.

ACCESS GAP PARTICIPANTS

ACA	GU Corporate	Navy	Reserve Bank
AU	HCI	Onemedifund	RT Health Fund
CBHS	Health.com.au	Peoplecare	Teachers Fed
CUA Health	Healthguard	Phoenix	Transport
Defence Health	Health-Partners	Police Health	TUH
Doctors Health	HIF	QCH	Westfund

TABLE 4A—Medical services with no gap

Fund or Gap scheme	% of Services with No Gap							
	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
BUPA	76.2%	84.0%	89.8%	85.5%	92.4%	81.1%	91.1%	78.6%
CDH	50.0%	89.8%	75.7%	67.2%	62.6%	50.0%	37.0%	N/A
GMHBA	45.7%	69.2%	85.8%	70.8%	62.5%	62.7%	71.9%	47.3%
HBF	78.2%	60.2%	64.9%	64.3%	68.7%	83.8%	73.1%	73.2%
HCF	85.5%	94.4%	98.0%	96.5%	99.7%	95.7%	99.1%	95.3%
Latrobe	50.4%	74.5%	87.3%	77.8%	76.4%	53.0%	77.9%	72.6%
MDHF	53.2%	80.1%	82.5%	57.0%	70.9%	56.7%	85.4%	65.3%
Medibank	80.5%	90.4%	95.0%	92.3%	94.2%	82.7%	96.0%	84.5%
NIB	58.6%	84.7%	81.0%	76.0%	86.0%	70.8%	84.1%	75.1%
St Lukes	53.5%	80.5%	82.2%	69.9%	81.3%	75.6%	90.6%	8.3%
Access Gap Participants ¹	77.9%	91.4%	94.9%	90.8%	95.1%	84.8%	91.8%	84.8%
Total/Industry outcome	78.0%	89.1%	92.6%	89.2%	93.5%	83.4%	92.6%	82.1%

TABLE 4B—Medical services with no gap or where known gap payment made

Fund or Gap scheme	% of Services with No Gap or Where Known Gap Payment Made							
	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
BUPA	77.4%	85.2%	91.6%	86.6%	94.2%	83.4%	92.7%	80.5%
CDH	100.0%	98.1%	92.4%	92.8%	81.7%	73.2%	97.5%	N/A
GMHBA	52.8%	81.3%	94.4%	81.1%	85.9%	77.1%	85.5%	77.8%
HBF	88.8%	81.2%	89.9%	84.7%	87.1%	99.3%	94.3%	90.8%
HCF	85.5%	94.4%	98.0%	96.5%	99.7%	95.7%	99.1%	95.3%
Latrobe	96.5%	95.1%	98.5%	95.9%	99.2%	91.2%	98.2%	100.0%
MDHF	93.6%	94.0%	95.5%	78.8%	91.8%	68.3%	93.8%	97.0%
Medibank	89.4%	93.4%	98.3%	95.5%	98.6%	88.7%	98.6%	94.7%
NIB	58.6%	84.7%	81.0%	76.0%	86.0%	70.8%	84.1%	75.1%
St Lukes	53.5%	84.0%	86.4%	74.8%	86.0%	81.8%	97.7%	75.0%
Access Gap Participants ¹	88.4%	94.6%	98.1%	94.6%	98.8%	92.0%	97.8%	92.6%
Total/Industry outcome	83.0%	90.7%	95.8%	91.5%	96.0%	95.0%	95.9%	88.5%

1. Access Gap Participants are listed above. Note: 'N/A' indicates no data was available.

General Treatment (Extras) Cover

General Treatment cover provides benefits towards a range of out-of-hospital health services. The most commonly covered services are dental, optical, physiotherapy and non-Pharmaceutical Benefits Scheme prescription medicines.

The first table shows the average proportion of service charges covered by each fund for all their policies and services. The second table shows the information according to the service being covered. Generally, higher-cost policies cover a higher proportion of charges.

GENERAL TREATMENT

General Treatment cover, also known as 'Ancillary' or 'Extras'¹, provides benefits towards a range of health related services not provided by a doctor, including:

- Dental fees and charges;
- Optometry: costs of glasses and lenses;
- Physiotherapy, Chiropractic services and other therapies including natural and complementary therapies;
- Prescribed medicines not covered by the Pharmaceutical Benefits Scheme.

PERCENTAGE OF CHARGES COVERED, ALL SERVICES, BY STATE

This column indicates what proportion of total charges, associated with general treatment services, is covered by each fund's benefits. This averages outcomes across all of each fund's general treatment policies and services. Higher cost policies will generally cover a greater proportion of charges than indicated by this average, while cheaper policies may cover less.

AVERAGE COSTS COVERED FOR EACH SERVICE TYPE

This additional table provides information on the proportion of the total charge for each service type covered by each fund on average, across all of the fund's general treatment policies.

This is intended to provide a broad comparative indicator of fund general treatment benefits to allow

1. Also known as 'Essentials' cover in Western Australia.

comparisons between funds and should not be regarded as an indicator of how much of a bill for any particular service will be covered.

In general this will understate the proportion of a general treatment bill that will be covered for the most common (lower cost services) and will overstate the proportion of the costs covered for some higher cost services.

AMBULANCE

Some funds do not provide ambulance cover through any of their general treatment policies but offer this as a component of hospital cover. These funds show as 'n/a' under the ambulance column. Most ambulance services in Queensland and Tasmania are provided free to residents of those states.

PREFERRED PROVIDERS

Many funds establish 'preferred provider' or 'participating provider' arrangements with some suppliers of general treatment services. Those providers offer an agreed charge for fund members, resulting in lower out of pocket costs for members after fund benefits are taken into account. It is usually worth checking with your fund to see if a suitable preferred provider is available.

FUND DENTAL AND EYECARE CENTRES

In some states, some funds operate their own dental and optical centres. These are usually only located in capital cities or major population centres.

Consumers who choose to use a fund's own dental or optical centres will normally get services at a much lower out of pocket cost.

ADDITIONAL INFORMATION

The PHIO brochure 'Health Insurance Choice: Selecting a Health Insurance Policy' includes important advice on what to consider and what questions to ask when selecting a general treatment policy. The brochure is available on Phio.gov.au or by phoning 1800 640 695.

PHIO's consumer website PrivateHealth.gov.au website provides information about all private health insurance policies available in Australia, including

benefits, prices and which hospitals a health fund has agreements with.

TABLE 5A—General Treatment (extras) Cover

Fund name (Abbreviated)	% General Treatment (extras) Charges Covered							
	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
Open membership funds								
AU	44.8%	48.2%	51.5%	51.4%	53.6%	49.1%	47.7%	46.5%
BUPA	44.1%	49.3%	49.1%	51.9%	53.5%	55.0%	50.0%	50.3%
CDH	40.2%	40.6%	42.8%	41.5%	46.6%	40.1%	37.0%	N/A
CUA Health	45.9%	54.7%	52.8%	52.3%	53.6%	51.6%	52.8%	51.0%
GMHBA	50.4%	55.3%	48.8%	53.2%	54.8%	51.9%	50.5%	49.7%
GU Corporate	71.6%	73.6%	74.0%	72.2%	74.7%	76.4%	74.0%	76.4%
HBF	53.8%	52.3%	53.6%	54.6%	56.2%	54.5%	56.0%	52.5%
HCF	46.2%	47.7%	55.1%	56.4%	58.7%	50.9%	48.1%	47.1%
HCI	46.7%	48.1%	53.7%	49.1%	53.2%	49.7%	48.9%	61.2%
Health.com.au	55.2%	56.8%	58.2%	57.1%	59.4%	58.7%	56.4%	58.1%
Healthguard	42.2%	49.5%	50.1%	49.2%	50.7%	48.9%	48.9%	41.2%
Health-Partners	40.3%	40.4%	43.1%	42.8%	57.1%	46.4%	48.9%	47.5%
HIF	41.8%	47.7%	48.8%	48.5%	52.9%	47.6%	45.3%	43.1%
Latrobe	32.1%	42.3%	38.3%	37.1%	40.6%	38.0%	33.4%	34.6%
MDHF	44.6%	51.6%	51.4%	49.8%	50.7%	48.5%	43.5%	54.1%
Medibank	46.0%	53.8%	53.6%	55.6%	58.6%	56.4%	55.2%	57.2%
NIB	55.1%	55.1%	61.8%	58.5%	62.7%	61.7%	57.8%	59.9%
Onemedifund	46.3%	47.7%	50.8%	48.4%	54.0%	50.5%	51.1%	N/A
Peoplecare	48.0%	52.8%	51.1%	48.4%	52.4%	48.6%	50.8%	48.4%
QCH	43.2%	52.0%	51.9%	52.6%	54.8%	51.6%	51.0%	48.4%
St Lukes	50.1%	60.8%	56.3%	56.5%	66.6%	56.9%	56.7%	54.2%
Transport	43.6%	52.8%	60.2%	53.2%	53.0%	51.4%	46.3%	N/A
Westfund	45.9%	48.1%	45.6%	48.7%	50.5%	46.6%	39.4%	50.5%
Restricted membership funds								
ACA	57.3%	60.8%	63.5%	60.5%	65.5%	60.9%	56.8%	67.5%
CBHS	45.7%	49.0%	52.8%	53.0%	42.2%	51.6%	51.1%	46.3%
Defence Health	42.8%	47.3%	50.7%	48.3%	53.3%	48.5%	48.0%	47.3%
Doctors' Health	55.2%	55.6%	57.1%	58.7%	61.4%	57.9%	61.8%	46.6%
Navy Health	45.6%	49.7%	54.6%	52.7%	55.6%	50.8%	51.1%	47.6%
Phoenix	52.1%	55.7%	55.7%	56.6%	57.1%	55.6%	55.1%	45.7%
Police Health	61.5%	65.6%	70.2%	70.3%	73.3%	69.6%	68.9%	69.6%
RT Health Fund	42.2%	49.2%	50.7%	50.4%	52.2%	50.4%	52.5%	50.0%
Reserve Bank	78.1%	75.6%	78.8%	78.6%	86.1%	72.9%	82.7%	85.0%
Teachers Health	45.6%	51.0%	53.8%	50.5%	53.9%	51.4%	50.5%	46.0%
TUH	43.7%	50.0%	47.6%	54.6%	50.9%	50.2%	48.7%	43.9%

Note: 'N/A' indicates no data was available.

TABLE 5B—General Treatment (extras) Cover—Average Amount of Costs Covered by Service

Fund	Dental ¹	Optical ¹	Physiotherapy	Chiropractic	Pharmacy	Podiatry	Natural Therapies	Ambulance	Acupuncture	Psych/Group Therapy	Preventative Health	Hearing Aids & Audiology	Occupational Therapy
Open membership funds													
AU	47%	67%	63%	48%	45%	50%	45%	99%	41%	34%	65%	18%	49%
BUPA	52%	55%	52%	54%	38%	49%	39%	100%	46%	43%	27%	21%	37%
CDH	41%	46%	53%	46%	49%	41%	30%	100%	55%	23%	22%	N/A	50%
CJA Health	55%	58%	45%	43%	34%	47%	39%	100%	41%	41%	53%	50%	45%
GMHBA	50%	60%	44%	49%	43%	49%	41%	88%	43%	41%	28%	19%	42%
GU Corporate ²	75%	67%	81%	79%	55%	77%	78%	N/A	76%	76%	57%	21%	88%
HBF	58%	47%	44%	43%	48%	48%	43%	100%	N/A	40%	61%	29%	50%
HCF	53%	55%	45%	46%	39%	44%	34%	100%	36%	48%	53%	34%	47%
HCI	52%	48%	47%	54%	49%	51%	46%	100%	45%	34%	63%	49%	53%
Health.com.au	57%	48%	64%	65%	37%	67%	63%	100%	62%	57%	N/A	N/A	59%
Healthguard	45%	69%	42%	38%	40%	57%	29%	100%	33%	30%	N/A	20%	44%
Health-Partners	59%	55%	59%	47%	44%	36%	29%	100%	34%	38%	N/A	29%	41%
HIF	51%	47%	42%	41%	43%	40%	25%	99%	24%	37%	27%	30%	41%
Latrobe	33%	54%	38%	41%	25%	40%	29%	85%	45%	36%	28%	16%	42%
MDHF	54%	49%	49%	51%	24%	45%	44%	86%	37%	26%	N/A	20%	38%
Medibank	52%	65%	51%	55%	31%	55%	57%	100%	53%	30%	84%	26%	40%
NIB	57%	56%	61%	60%	43%	60%	58%	100%	57%	57%	55%	20%	61%
Onemedifund	52%	54%	45%	44%	43%	45%	38%	100%	35%	35%	75%	28%	48%
Peoplecare	50%	64%	45%	46%	41%	43%	40%	99%	44%	41%	70%	40%	44%
OCH	50%	57%	49%	65%	36%	66%	43%	N/A	50%	52%	64%	46%	44%
St Lukes	60%	63%	53%	58%	39%	48%	46%	88%	44%	50%	51%	46%	43%
Transport	65%	58%	51%	62%	35%	61%	41%	100%	43%	36%	59%	28%	36%
Westfund	49%	48%	41%	56%	40%	40%	41%	100%	37%	36%	N/A	42%	67%

Note: All percentages based on health fund reporting to PHIA. 1. For some funds, the data does not take account of discounts at some providers or fund Dental/ Optical centres. 2. Note: GUC submitted a reversal for Pharmacy fees in NSW in the September quarter 2013 of -\$567,986.65. For the purpose of this report the reversal has been changed to an amount that is the same proportion to benefits paid as the average proportion of benefits paid in the other quarters of 2014 in NSW.

TABLE 5B—General Treatment (extras) Cover (cont'd)—Average Amount of Costs Covered by Service

Fund	Dental ¹	Optical ¹	Physiotherapy	Chiropractic	Pharmacy	Podiatry	Natural Therapies	Ambulance	Acupuncture	Psych/Group Therapy	Preventative Health	Hearing Aids & Audiology	Occupational Therapy
Restricted membership funds													
ACA	63%	72%	50%	55%	49%	72%	41%	100%	41%	33%	n/a	44%	60%
CBHS	51%	54%	57%	64%	28%	49%	37%	52%	48%	45%	36%	37%	39%
Defence Health	47%	49%	53%	54%	45%	53%	41%	100%	40%	40%	44%	27%	37%
Doctors' Health	60%	61%	55%	na	44%	50%	n/a	n/a	n/a	52%	n/a	21%	36%
Navy Health	49%	49%	59%	66%	49%	57%	49%	100%	n/a	44%	100%	28%	43%
Phoenix	61%	62%	57%	55%	43%	58%	37%	99%	43%	47%	55%	46%	50%
Police Health	70%	72%	77%	78%	43%	68%	42%	100%	74%	76%	na	39%	69%
RT Health Fund	47%	63%	60%	60%	44%	56%	42%	100%	62%	26%	50%	31%	40%
Reserve Bank	77%	76%	76%	78%	60%	80%	80%	99%	79%	81%	45%	71%	70%
Teachers Health	53%	51%	50%	63%	46%	58%	49%	100%	47%	45%	42%	37%	65%
TUH	58%	53%	48%	57%	39%	65%	50%	100%	49%	46%	55%	40%	43%

Note: All percentages based on health fund reporting to PHIA. 1. For some funds, the data does not take account of discounts at some providers or fund Dental/Optical centres.

Finances and Costs

All health funds are required to meet financial management standards to ensure their members' contributions are protected. Generally, funds aim to set premium levels so their income from contributions covers the expected cost of benefits plus the fund's administration costs.

The percentage of contribution income which goes towards administration and management expenses is a key measure of fund efficiency.

THE REGULATION OF HEALTH FUND FINANCES

The financial performance of health funds is closely regulated to ensure that funds remain financially viable and that contributors' funds are protected.

The *Private Health Insurance Act 2007* (the Act) specifies solvency and capital adequacy standards for funds to meet and outlines financial management and reporting requirements for all funds. The Act also establishes the Private Health Insurance Administration Council (PHIAC)—an independent organisation with responsibility for monitoring the financial performance of the funds and ensuring that they meet prudential requirements.

PHIAC produces an annual publication providing financial and operational statistics for the funds for each financial year¹. Information included in the Financial Performance table is drawn from data collected by PHIAC for that purpose.

PREMIUM INCREASES

Under the Act, health funds require the approval of the Minister for Health before they can raise their premiums. This ensures there is rigorous scrutiny of all premium increase applications each year.

The Minister assesses premium applications to ensure proposed increases are kept to the minimum necessary. This takes into consideration fund solvency requirements, forecast benefit payments and prudential requirements, while also ensuring the affordability and value of private health insurance as a product.

BENEFITS AS A PERCENTAGE OF CONTRIBUTIONS

This column shows the percentage of total contributions, received by the fund, returned to contributors in benefits. Funds will generally aim to set premium levels so that contribution income covers the expected costs of benefits plus the fund's administration costs.

A very high percentage of contributions returned as benefits may not necessarily be a positive factor for consumers, particularly if it means that the fund is making a loss on its health insurance business. This indicator should therefore be considered in conjunction with other factors, such as the Surplus (-Loss) and Management Expenses ratings.

MANAGEMENT EXPENSES

Management expenses are the costs of administering the fund. They include items such as rent, staff salaries, and marketing costs.

AS A PERCENTAGE OF CONTRIBUTION INCOME

This figure is regarded as a key measure of fund efficiency. In this table management expenses are shown as a proportion of total fund contributions.

PER AVERAGE POLICY

A comparison of the relative amount each fund spends on administration costs is also demonstrated through provision of information on the level of management expenses per membership by each fund.

On average, restricted membership funds have lower management expenses as a proportion of benefits paid than open membership funds. This is partially due to lower expenditure on marketing. However, unusually low management expenses by some restricted membership funds can also be the result of those funds receiving free or subsidised administrative services from the organisations with which they are associated.

1. The *Operations of the Private Health Insurers* report is available on the PHIAC website: Phiac.gov.au

TABLE 6—Finances and Costs

Fund name (Abbreviated)	Benefits as % Contributions	Management Expenses		Surplus (-Loss) from health insurance	Overall Profit (-Loss) as % total revenue	Not-for-Profit Fund
		as % of Contribution Income	per Average Policy			
Open membership funds						
AU	85.4%	10.1%	\$306	4.5%	4.2%	No
BUPA	84.6%	8.0%	\$257	7.4%	6.1%	No
CDH	92.4%	11.6%	\$403	-4.0%	0.6%	Yes
CUA Health (1)	87.1%	7.4%	\$250	5.5%	7.6%	Yes
GMHBA	87.0%	10.4%	\$305	2.6%	5.6%	Yes
GU Corporate	82.6%	11.0%	\$529	6.4%	2.8%	No
HBF	86.8%	10.7%	\$284	2.5%	8.6%	Yes
HCF	93.7%	7.2%	\$236	-0.8%	3.1%	Yes
HCI	84.8%	14.4%	\$506	0.8%	2.0%	Yes
Health.com.au	90.6%	6.6%	\$181	2.8%	2.9%	No
Healthguard	85.9%	10.4%	\$344	3.7%	9.2%	Yes
Health-Partners	89.6%	10.3%	\$326	0.2%	5.0%	Yes
HIF	85.8%	13.9%	\$358	0.2%	5.3%	Yes
Latrobe	86.4%	9.2%	\$284	4.4%	8.5%	Yes
MDHF	96.3%	8.0%	\$188	-4.3%	6.6%	Yes
Medibank	86.9%	8.7%	\$264	4.4%	4.7%	No
NIB	87.7%	8.0%	\$218	4.2%	4.7%	No
Onemedifund	76.4%	8.3%	\$364	15.3%	11.9%	No
Peoplecare	89.0%	7.9%	\$277	3.1%	6.4%	Yes
QCH	82.6%	10.3%	\$424	7.1%	9.1%	Yes
St. Lukes	90.3%	11.7%	\$403	-2.0%	2.8%	Yes
Transport	85.4%	10.0%	\$345	4.6%	8.0%	No
Westfund	86.0%	13.2%	\$413	0.8%	3.8%	Yes
Restricted membership funds						
ACA	88.1%	9.6%	\$432	2.3%	5.4%	Yes
CBHS	92.8%	6.7%	\$240	0.5%	5.9%	Yes
Defence Health	93.6%	5.7%	\$182	0.7%	5.7%	Yes
Doctors' Health	85.4%	11.1%	\$481	3.5%	6.4%	No
Navy Health	92.4%	10.1%	\$350	-2.5%	9.4%	Yes
Phoenix	90.2%	9.3%	\$371	0.5%	3.2%	Yes
Police Health	86.7%	6.5%	\$309	6.9%	8.8%	Yes
RT Health Fund	86.3%	13.8%	\$562	-0.1%	1.8%	Yes
Reserve Bank	83.7%	12.9%	\$672	3.4%	6.8%	Yes
Teachers Health	92.6%	7.0%	\$246	0.4%	4.0%	Yes
TUH	91.2%	8.3%	\$349	0.6%	4.4%	Yes

1. CUA Health was not-for-profit for the 2013-14 financial year. From 1 July 2014 onwards, CUA Health is for profit.

SURPLUS (-LOSS) FROM HEALTH INSURANCE

The surplus or loss (indicated as a negative figure) made by the fund in 2013-2014 from their health insurance business is expressed as a percentage of the fund's contribution income. This does not take account of additional income that the fund may derive from investment or other non-health insurance activities.

All health funds maintain a sufficient level of reserves to cover losses from year to year. However funds with high or continuing losses might be expected to have to increase premiums by a relatively higher amount than other funds.

OVERALL PROFIT (-LOSS) AS A PERCENTAGE OF TOTAL REVENUE

The overall profit or loss (indicated as a negative figure) takes account of additional income made by the fund, mainly through investment. This is shown as a percentage of all revenue received by the fund to allow a comparison of performance between funds of differing sizes. Overall profit takes into account tax that is paid for a small amount of funds.

NOT-FOR-PROFIT FUND

If a health fund is listed 'not-for-profit', this means it is a mutual organisation, with the premiums paid into the fund used to operate the business and cover benefits for members.

'For-profit' funds aim to return a profit to their owners (which may be another health fund or corporation) or shareholders. They are still required to maintain sufficient funds to operate the company and pay benefits to their members.

Health Fund Operations by State or Territory

Some funds have little presence in most states but may have a large market share in one state or territory. Every fund will still have agreements with hospitals throughout Australia even if they don't have a local branch network or a significant proportion of policy holders in each state. Australian health insurance policies are usually priced according to the policy holder's state of residence, but the benefits extend nation-wide.

HEALTH FUND OPERATIONS BY STATE OR TERRITORY

Some funds have little presence in most states but may have a large market share in one state or territory. Some funds use different brand names or offer different policies in different states and territories. These separate tables for each state/territory are therefore provided to give an indication of the extent and importance of each fund's business in each area.

Most fund websites allow members to view fund information, join or change their policy and submit claims. Links to all health fund websites are available at PrivateHealth.gov.au.

PERCENTAGE MARKET SHARE

This column indicates how much of the total health insurance business within each state or territory each fund accounts for. It is an indicator of the size and significance of each fund within each state.

Funds with a significant market share in the relevant state or territory can normally be expected to have more extensive networks of branch offices, agencies, agreement hospitals and preferred ancillary providers in those states/territories. They are also more likely to obtain the participation of doctors in their gap cover arrangements. However, funds participating in the Australian Health Services Alliance (AHSa) will generally have access to a wide range of agreement hospitals in all states. The Access Gap scheme operated by the AHSa also has a high level of acceptance from doctors in all states.

PERCENTAGE OF FUND'S MEMBERSHIP IN STATE

This column indicates how much of each fund's health insurance membership is within each state. It is an indicator of how significant that state is to each fund's health insurance business.

In general, funds can be expected to design their policies (benefits, conditions, contracts, etc) to suit the arrangements applying in the states in which they do a significant proportion of business. However, some nationally based funds tailor their policies and prices to take account of different state arrangements.

Health fund costs differ from state to state, which accounts for the variation in premiums across states.

AGREEMENT HOSPITALS¹

All health funds establish agreements with some or all private hospitals and day hospitals for the treatment of their members. These agreements generally provide for the fund to meet all of the private hospital's charges for treatment of the fund's members. The member would then not be required to pay any amount to the hospital, other than any agreed excess or co-payment and any incidental charges that may apply for certain extra services (e.g. television rental or internet)².

Where a fund has a comparatively low number of agreements with private hospitals or private day hospitals, this is an indicator that consumer choice (as to where to be treated) may be more limited. Treatment at a non-agreement hospital will mean a significantly higher out of pocket cost for the patient.

While funds do not have agreements with particular public hospitals, all funds will fully cover hospital costs for treatment as a private patient in a public hospital unless the particular treatment is excluded under the individual's policy, or there is an extra charge for a private room or similar extra costs.

FUND OUTLETS— RETAIL OFFICES AND AGENCIES

Retail offices are full-service offices operated by health funds with staff employed by the fund. At retail offices, fund members (or prospective members) should expect to be able to:

- receive advice about the range of policies and services provided by the fund;
- obtain a quote for any of the fund's policies;
- obtain and lodge an application to join any of the fund's policies;
- obtain a 'cover note' if necessary;
- make a personal inquiry about their membership (contributions, payment arrangements, benefits); and
- make a claim for any ancillary benefits payable on a 'refund' basis and have that claim processed and/or paid.

Agencies are generally limited service outlets operated by the fund or under arrangements with pharmacies, credit unions, etc. At these agency outlets, members can obtain brochure material and make some transactions but generally can't have a personal inquiry about their membership finalised or have claims processed on the spot.

The table indicates whether the fund operates retail offices and/or agencies in the state or territory.

1. According to PrivateHealth.gov.au at 28 January 2015.

2. These agreements do not apply to fees charged by private doctors for in-hospital treatment; these medical fees may be covered by a fund's medical gap scheme arrangements.

TABLE 7A—New South Wales

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals ¹		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
Open membership funds						
AU	1.8%	18.3%	91	84	Yes	
BUPA	24.6%	30.0%	85	77	Yes	
CDH	<0.5%	89.0%	72	33	Yes	
CUA Health	0.3%	20.1%	87	85	Yes	
GMHBA	0.6%	9.8%	89	84		
GU Corporate	0.6%	43.6%	92	88		
HCF	20.9%	63.3%	83	81	Yes	
HCI	<0.5%	3.0%	80	74		
Health.com.au	0.6%	36.1%	84	80		
Healthguard	<0.5%	13.0%	93	87		Yes
Health-Partners	<0.5%	0.8%	81	79		
HIF	<0.5%	5.4%	93	85		
Latrobe	<0.5%	5.7%	73	50		
MDHF	<0.5%	11.1%	73	46		Yes
Medibank	25.0%	28.0%	82	69	Yes	Yes
NIB	14.2%	59.8%	87	75	Yes	
Onemedifund	<0.5%	40.3%	93	87	Yes	
Peoplecare	0.7%	47.0%	93	87	Yes	
QCH	<0.5%	1.5%	82	77		
St Lukes	<0.5%	2.8%	74	45		
Transport	<0.5%	5.2%	79	71		
Westfund	1.4%	61.7%	93	87	Yes	
Restricted membership funds						
ACA	<0.5%	59.0%	79	71	Yes	
CBHS	1.8%	43.9%	93	82		
Defence Health	0.9%	17.5%	93	87		Yes
Doctors' Health	<0.5%	38.4%	79	71	Yes	
Navy Health	<0.5%	30.8%	89	83		
Phoenix	<0.5%	51.1%	92	93	Yes	
Police	<0.5%	0.8%	88	79		
RT Health Fund	0.6%	52.7%	83	81	Yes	
Reserve Bank	<0.5%	60.6%	93	87	Yes	
Teachers Health	4.4%	72.4%	93	87	Yes	
TUH	<0.5%	1.5%	79	71		

1. Hospital data sourced from PrivateHealth.gov.au at 28 January 2015.

TABLE 7B—Victoria

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals ¹		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
Open membership funds						
AU	8.5%	62.6%	76	69	Yes	
BUPA	24.6%	21.5%	74	56	Yes	
CDH	<0.5%	4.1%	71	46		
CUA Health	<0.5%	12.1%	75	68		Yes
GMHBA	5.7%	68.6%	76	67	Yes	Yes
GU Corporate	<0.5%	19.8%	75	70		
HCF	7.0%	15.1%	68	49	Yes	
HCI	<0.5%	17.0%	72	51		
Health.com.au	0.7%	30.3%	71	64		
Healthguard	0.6%	28.9%	75	70		
Health-Partners	<0.5%	1.8%	74	61		
HIF	<0.5%	8.1%	76	69		
Latrobe	2.6%	89.9%	74	60	Yes	Yes
MDHF	0.8%	85.3%	72	57	Yes	Yes
Medibank	35.6%	28.6%	70	52	Yes	
NIB	6.0%	18.1%	68	50	Yes	
Onemedifund	<0.5%	24.4%	75	70		
Peoplecare	0.6%	30.5%	75	70	Yes	
QCH	<0.5%	0.9%	75	58		
St Lukes	<0.5%	4.5%	71	61		
Transport	<0.5%	86.8%	72	51	Yes	
Westfund	<0.5%	0.8%	75	70		
Restricted membership funds						
ACA	<0.5%	12.5%	72	51		
CBHS	1.5%	25.6%	76	69		
Defence Health	2.2%	30.0%	76	69	Yes	Yes
Doctors' Health	<0.5%	32.0%	73	51		
Navy Health	<0.5%	25.9%	75	68	Yes	
Phoenix	<0.5%	14.2%	77	71		
Police	<0.5%	0.8%	72	63		
RT Health Fund	<0.5%	9.7%	74	64		
Reserve	<0.5%	23.9%	75	70		
Teachers Health	1.1%	13.2%	75	70	Yes	
TUH	<0.5%	0.8%	72	51		

1. Hospital data sourced from PrivateHealth.gov.au at 28 January 2015.

TABLE 7C—Queensland

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals ¹		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
Open membership funds						
AU	2.0%	11.4%	50	41	Yes	
BUPA	33.6%	22.6%	49	33	Yes	
CDH	<0.5%	4.7%	41	23		
CUA Health	1.9%	64.1%	50	41	Yes	Yes
GMHBA	1.1%	10.5%	51	42		
GU Corporate	<0.5%	14.7%	50	42		
HCF	7.1%	11.8%	50	35	Yes	
HCI	<0.5%	4.9%	51	35		
Health.com.au	0.6%	21.0%	46	39		
Healthguard	<0.5%	6.0%	50	42		
Health-Partners	<0.5%	1.2%	53	42		
HIF	<0.5%	5.1%	51	42		
Latrobe	<0.5%	2.7%	45	28		
MDHF	<0.5%	1.2%	43	28		
Medibank	35.4%	21.9%	52	34	Yes	Yes
NIB	5.1%	11.9%	46	38	Yes	
Onemedifund	<0.5%	12.9%	50	42		
Peoplecare	<0.5%	11.6%	50	42		
QCH	1.6%	96.0%	55	48	Yes	Yes
St Lukes	<0.5%	2.6%	44	29		
Transport	<0.5%	6.3%	48	35		
Westfund	1.5%	35.5%	50	42	Yes	
Restricted membership funds						
ACA	<0.5%	18.3%	48	37		
CBHS	1.2%	15.9%	49	42		
Defence Health	2.8%	29.1%	50	42		Yes
Doctors' Health	<0.5%	21.6%	48	35		
Navy Health	<0.5%	17.8%	50	41		
Phoenix	<0.5%	13.8%	51	42		
Police Health	0.6%	35.9%	49	40		
RT Health Fund	0.7%	34.4%	50	41	Yes	
Reserve Bank	<0.5%	6.1%	50	42		
Teachers Health	<0.5%	2.6%	50	42		
TUH	2.4%	96.7%	48	35	Yes	

1. Hospital data sourced from PrivateHealth.gov.au at 28 January 2015.

TABLE 7D—South Australia

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals ¹		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
Open membership funds						
AU	1.5%	3.6%	29	24		
BUPA	52.4%	15.2%	28	21	Yes	
CDH	<0.5%	1.2%	21	7		
CUA Health	<0.5%	0.8%	29	23		
GMHBA	<0.5%	1.4%	29	23		
GU Corporate	<0.5%	2.0%	27	25		
HCF	5.2%	3.7%	26	18	Yes	
HCI	<0.5%	1.0%	29	21		
Health.com.au	<0.5%	2.4%	29	23		
Healthguard	<0.5%	1.1%	27	25		
Health-Partners	7.6%	95.4%	29	23	Yes	Yes
HIF	<0.5%	1.5%	29	25		
Latrobe	<0.5%	0.5%	22	14		
MDHF	<0.5%	1.9%	21	13		
Medibank	23.3%	6.2%	28	19	Yes	
NIB	2.1%	2.1%	27	19		
Onemedifund	<0.5%	5.0%	27	25		
Peoplecare	<0.5%	5.7%	27	25		
QCH	<0.5%	<0.5%	29	21		
St Lukes	<0.5%	1.7%	22	13		
Transport	<0.5%	0.6%	29	20		
Westfund	<0.5%	0.5%	27	25		
Restricted membership funds						
ACA	<0.5%	3.5%	29	21		
CBHS	0.8%	4.9%	28	26		
Defence Health	1.9%	8.5%	28	24		Yes
Doctors' Health	<0.5%	2.7%	28	20		
Navy Health	<0.5%	5.6%	29	23		
Phoenix	<0.5%	15.8%	29	25		
Police Health	1.5%	38.3%	29	23	Yes	
RT Health Fund	<0.5%	1.1%	29	22		
Reserve Bank	<0.5%	3.9%	27	25		
Teachers Health	1.4%	5.6%	27	25		
TUH	<0.5%	<0.5%	29	20		

1. Hospital data sourced from PrivateHealth.gov.au at 28 January 2015.

TABLE 7E—Western Australia

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals ¹		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
Open membership funds						
AU	0.6%	2.3%	18	21		
BUPA	10.1%	5.0%	18	15	Yes	
CDH	<0.5%	<0.5%	16	8		
CUA Health	<0.5%	1.8%	17	21	Yes	
GMHBA	1.1%	7.6%	17	21	Yes	Yes
GU Corporate	0.6%	17.6%	19	22		
HBF	54.0%	97.5%	21	19	Yes	Yes
HCF	2.0%	2.5%	15	7		
HCI	<0.5%	1.4%	17	11		
Health.com.au	<0.5%	6.5%	17	19		
Healthguard	1.9%	49.2%	19	22	Yes	Yes
Health-Partners	<0.5%	<0.5%	19	12		
HIF	4.1%	78.9%	18	21	Yes	Yes
Latrobe	<0.5%	0.3%	18	11		
MDHF	<0.5%	<0.5%	17	12		
Medibank	20.8%	9.5%	18	15	Yes	Yes
NIB	2.0%	3.4%	17	15		Yes
Onemedifund	<0.5%	11.7%	19	22		
Peoplecare	<0.5%	3.4%	19	22		
QCH	<0.5%	0.7%	16	16		
St Lukes	<0.5%	0.7%	17	12		
Transport	<0.5%	0.7%	16	11		
Westfund	<0.5%	0.6%	19	22		
Restricted membership funds						
ACA	<0.5%	4.7%	16	11		
CBHS	0.6%	6.5%	18	21		
Defence Health	0.6%	4.6%	19	22		Yes
Doctors' Health	<0.5%	1.9%	16	12		
Navy Health	<0.5%	8.4%	18	21		
Phoenix	<0.5%	3.8%	18	21		
Police Health	<0.5%	13.7%	17	21		
RT Health Fund	<0.5%	1.1%	17	19		
Reserve Bank	<0.5%	3.5%	19	22		
Teachers Health	<0.5%	2.5%	19	22		
TUH	<0.5%	<0.5%	16	11		

1. Hospital data sourced from PrivateHealth.gov.au at 28 January 2015.

TABLE 7F—Tasmania

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals ¹		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
Open membership funds						
AU	0.9%	0.6%	5	3		
BUPA	37.5%	3.0%	5	4	Yes	
CDH	<0.5%	<0.5%	5	2		
CUA Health	<0.5%	<0.5%	5	3		
GMHBA	1.2%	1.3%	5	3		
GU Corporate	<0.5%	0.7%	5	3		
HCF	2.2%	<0.5%	5	3		
HCI	2.3%	72.1%	5	3	Yes	
Health.com.au	<0.5%	0.6%	5	3		
Healthguard	<0.5%	0.8%	5	3		
Health-Partners	<0.5%	<0.5%	5	2		
HIF	<0.5%	<0.5%	5	3		
Latrobe	<0.5%	<0.5%	5	4		
MDHF	<0.5%	<0.5%	5	4		
Medibank	33.0%	2.4%	5	3	Yes	
NIB	1.3%	<0.5%	5	2		
Onemedifund	<0.5%	5.2%	5	3		
Peoplecare	<0.5%	0.6%	5	3		
QCH	<0.5%	<0.5%	5	3		
St Lukes	16.1%	87.5%	5	4	Yes	Yes
Transport	<0.5%	<0.5%	5	2		
Westfund	<0.5%	<0.5%	5	3		
Restricted membership funds						
ACA	<0.5%	1.1%	5	2		
CBHS	0.9%	1.7%	5	3		
Defence Health	0.8%	1.0%	5	3		
Doctors' Health	<0.5%	0.8%	5	3		
Navy Health	<0.5%	1.4%	5	3		
Phoenix	<0.5%	0.5%	5	3		
Police Health	0.5%	3.1%	5	3		
RT Health Fund	<0.5%	<0.5%	5	3		
Reserve Bank	<0.5%	1.1%	5	3		
Teachers Health	1.1%	1.1%	5	3		
TUH	<0.5%	<0.5%	5	2		

1. Hospital data sourced from PrivateHealth.gov.au at 28 January 2015.

TABLE 7G—Australian Capital Territory

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals ¹		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
Open membership funds						
AU	1.6%	1.0%	5	9		
BUPA	21.7%	1.6%	5	5	Yes	
CDH	<0.5%	<0.5%	4	4		
CUA Health	<0.5%	0.6%	5	9	Yes	
GMHBA	0.7%	0.7%	5	9		
GU Corporate	<0.5%	1.3%	6	8		
HCF	14.3%	2.7%	5	6	Yes	
HCI	<0.5%	<0.5%	4	6		
Health.com.au	0.6%	2.4%	5	8		
Healthguard	<0.5%	0.8%	5	8		
Health-Partners	<0.5%	<0.5%	4	7		
HIF	<0.5%	<0.5%	5	9		
Latrobe	<0.5%	<0.5%	5	7		
MDHF	<0.5%	<0.5%	5	6		
Medibank	31.9%	2.2%	5	4	Yes	
NIB	16.0%	4.2%	5	8	Yes	
Onemedifund	<0.5%	<0.5%	6	8		
Peoplecare	<0.5%	1.1%	6	8		
QCH	<0.5%	<0.5%	5	9		
St Lukes	<0.5%	<0.5%	5	6		
Transport	<0.5%	<0.5%	4	6		
Westfund	<0.5%	0.7%	6	8		
Restricted membership funds						
ACA	<0.5%	0.7%	4	6		
CBHS	1.0%	1.4%	5	9		
Defence Health	6.5%	7.7%	5	9		Yes
Doctors' Health	<0.5%	2.3%	3	6		
Navy Health	1.3%	9.3%	5	9		Yes
Phoenix	<0.5%	0.5%	5	9		
Police Health	<0.5%	<0.5%	5	8		
RT Health Fund	<0.5%	0.5%	5	8		
Reserve Bank	<0.5%	1.0%	6	8		
Teachers Health	2.2%	2.3%	8	6		
TUH	<0.5%	<0.5%	4	6		

1. Hospital data sourced from PrivateHealth.gov.au at 28 January 2015.

TABLE 7H—Northern Territory

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals ¹		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
Open membership funds						
AU	0.5%	<0.5%	2	1		
BUPA	38.3%	1.1%	1	1	Yes	
CDH	<0.5%	<0.5%	1	0		
CUA Health	<0.5%	<0.5%	1	1		
GMHBA	<0.5%	<0.5%	1	1		
GU Corporate	<0.5%	<0.5%	2	1		
HCF	4.3%	<0.5%	1	1		
HCI	<0.5%	<0.5%	1	0		
Health.com.au	0.5%	0.8%	1	1		
Healthguard	<0.5%	<0.5%	2	1		
Health-Partners	<0.5%	<0.5%	1	0		
HIF	<0.5%	<0.5%	1	1		
Latrobe	<0.5%	<0.5%	1	1		
MDHF	<0.5%	<0.5%	1	1		
Medibank	43.7%	1.1%	1	1	Yes	Yes
NIB	2.0%	<0.5%	1	1		
Onemedifund	<0.5%	<0.5%	2	1		
Peoplecare	<0.5%	<0.5%	2	1		
QCH	<0.5%	<0.5%	1	1		
St Lukes	<0.5%	<0.5%	1	1		
Transport	<0.5%	<0.5%	1	0		
Westfund	<0.5%	<0.5%	2	1		
Restricted membership funds						
ACA	<0.5%	<0.5%	1	0		
CBHS	<0.5%	<0.5%	1	1		
Defence Health	3.6%	1.6%	2	1		Yes
Doctors' Health	<0.5%	<0.5%	1	0		
Navy Health	<0.5%	0.9%	1	1		
Phoenix	<0.5%	<0.5%	2	1		
Police Health	2.9%	7.2%	1	1		
RT Health Fund	<0.5%	<0.5%	1	1		
Reserve Bank	<0.5%	<0.5%	2	1		
Teachers Health	0.8%	<0.5%	2	1		
TUH	<0.5%	<0.5%	1	0		

1. Hospital data sourced from PrivateHealth.gov.au at 28 January 2015.

About the Private Health Insurance Ombudsman

The Private Health Insurance Ombudsman (PHIO) protects the interests of people who are covered by private health insurance, through our complaints handling, consumer information and advice services, as well as advice to government and industry about issues of concern to consumers in relation to private health insurance. Our office is independent of the private health funds, private and public hospitals and health service providers.

PHIO deals with inquiries and complaints about any aspect of private health insurance. Generally, anyone can make a complaint as long as it relates to private health insurance.

THE PRIVATE HEALTH INSURANCE OMBUDSMAN

The Private Health Insurance Ombudsman (PHIO) deals with inquiries and complaints about any aspect of private health insurance. Our office is independent of the private health funds, private and public hospitals and health service providers.

We deal with complaints about private health insurance, including private health funds, brokers, hospitals, medical practitioners, dentists or other practitioners. Generally, anyone can make a complaint as long as it relates to private health insurance.

HOW DO I MAKE A COMPLAINT?

You should first contact your health fund or the organisation or provider you're complaining about—they may be able to resolve your complaint for you.

If your fund doesn't provide a satisfactory response, you can contact us in one of the following ways:

- **Call:** 1800 640 695 (free call from any Australian land line; charges apply for mobile phones)
- **Write:** Private Health Insurance Ombudsman, Suite 2, Level 22, 580 George Street, Sydney NSW 2000
- **Fax:** (02) 8235 8778
- **Website:** Phio.gov.au
- **Email:** info@phio.gov.au

Please include:

- A clear description of your complaint;
- The name of your health fund and your membership number; and
- What you think would resolve the matter for you.

We'll let you know if any other information is needed.

WHAT HAPPENS AFTER I MAKE A COMPLAINT?

Many complaints result from misunderstandings. Your PHIO case officer may be able to resolve your complaint by explaining what has happened and why.

Otherwise, we'll contact your health fund or the body you are complaining about to get their explanation and any suggestions they have for fixing the problem. We deal with most complaints by phone, email and fax, and most can be settled quickly.

Where complaints are more complex, we will write to the health fund or other body, seeking further information or recommending a certain course of action. Your case officer will keep you regularly informed, usually by telephone. They will give you their name and contact number in case you need to contact them.

WHAT IF I JUST WANT SOME INFORMATION ABOUT HEALTH INSURANCE?

We can help with information about private health insurance arrangements:

- Call our Hotline on 1800 640 695;
- Email us at info@phio.gov.au; or
- Check our websites Phio.gov.au and PrivateHealth.gov.au

We also have brochures and publications about private health insurance arrangements which you can find on our website or which we can post on request.

WHO CAN I CONTACT IF MY COMPLAINT IS ABOUT A MEDICAL ISSUE OR MEDICARE?

Complaints about the quality of service or clinical treatment provided by a health professional or a hospital should be directed to the health care complaints body for your state or territory. These are listed in the state government section of your telephone directory.

Complaints about Medicare should be directed to the Commonwealth Ombudsman on 1300 362 072.

Your Health Insurance Checklist

Ten tips from the Private Health Insurance Ombudsman for avoiding health insurance problems.

- 1** Consider taking out the highest level of hospital cover you can afford and choosing a higher excess, rather than restrictions or exclusions, to save money on premiums.
- 2** Review your Standard Information Statement (SIS) every year. Think about whether your policy will continue to meet your needs over the coming year. This is particularly important if you are thinking about starting a family, or your health needs are changing as you grow older.
- 3** Read all of the information your fund sends you carefully. Important information about your cover will be sent in a personalised letter and should not be ignored.
- 4** Ensure your premiums are up to date. If you pay by direct debit, check your bank or credit card statements every month to ensure payments are being correctly deducted.
- 5** Tell your fund if you change address, add a partner, have a child, or any other circumstance which might affect your cover.
- 6** Make sure you understand any waiting periods, restrictions or limits that are applying to your cover.
- 7** Contact your fund before you go to hospital to check whether you will be covered and what costs you may need to pay yourself.
- 8** Talk to your doctors about their fees and ask whether they will bill you under your health fund's gap scheme.
- 9** If you decide to change funds, make sure you understand the difference in benefits before changing.
- 10** Visit PrivateHealth.gov.au for information and advice about private health insurance.

More information can be found in the 'Health Insurance Choice' and 'Ten Golden Rules' brochures, available at PrivateHealth.gov.au and Phio.gov.au or from the office of the Private Health insurance Ombudsman.

“Protecting
the interests
of people
covered by
private health
insurance.”



Australian Government

Private Health Insurance Ombudsman