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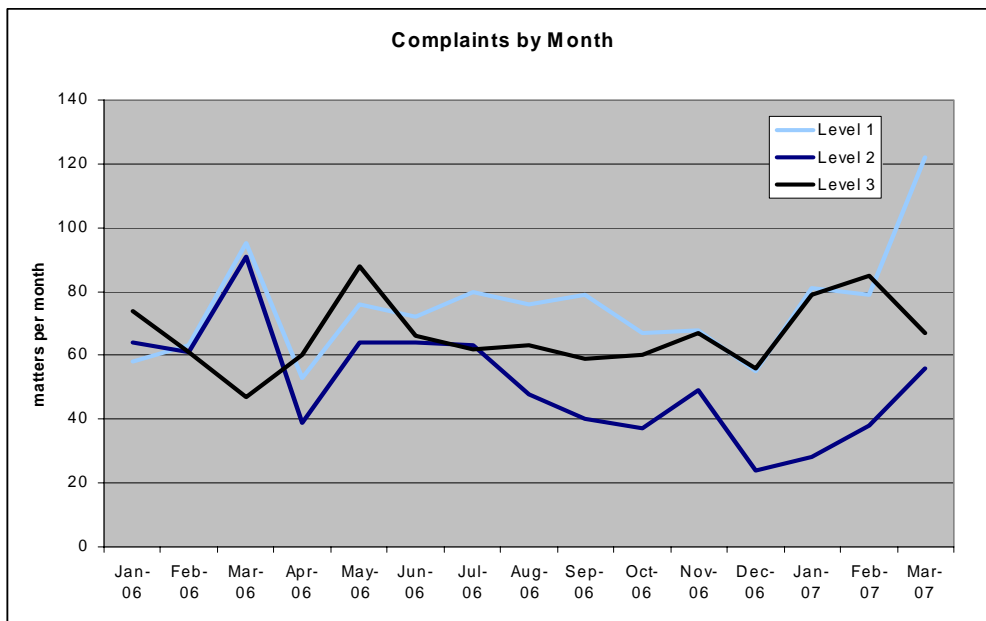
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**Quarterly Bulletin 42**  
**(1 January to 31 March 2007)**

**Complaint Statistics**

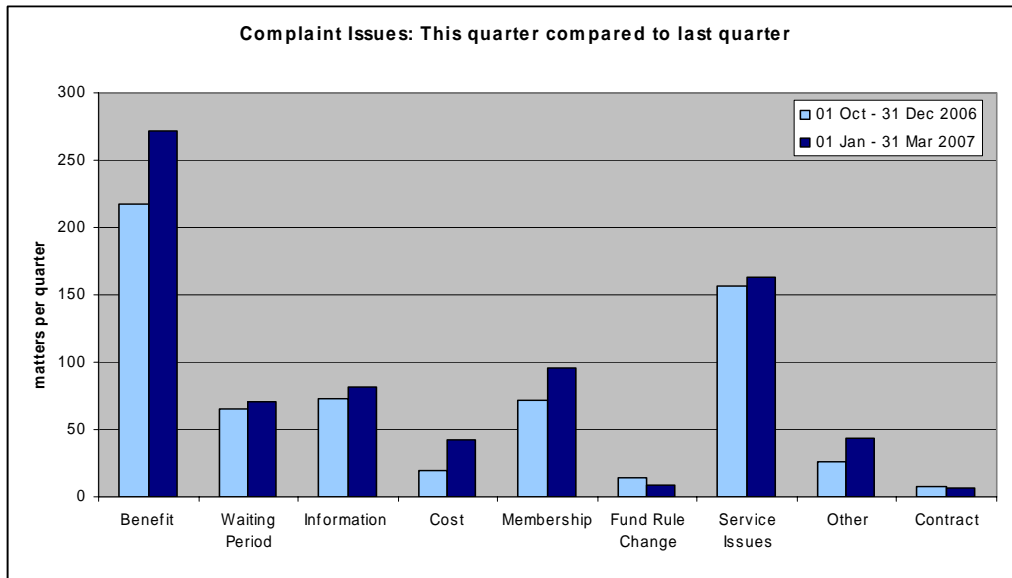
In the first quarter of 2007, PHIO received 598 complaints about health funds. This was a 23% increase on the previous quarter and a 4% increase on the same period last year. The first quarter of the year is usually much busier than the previous (Christmas) quarter.

PHIO received 219 Level-3 complaints, which represented an increase of 25% on the previous quarter. There was also a large increase in Level-1 complaints from 190 to 282 (48%). A considerable number of these Level 1 and 3 complaints were related to computer administration problems at one particular health insurer, which resulted in complaints about delayed payments, refunds and associated service.



**Premium Increases**

Complaints about premium increases are at the lowest level since the Ombudsman’s office was established. PHIO received only 29 complaints about premium increases during the quarter. This continues the trend of PHIO receiving much lower numbers of complaints about premium increases; 44 complaints were received for the same period in 2006 compared to 147 in 2005.



## PrivateHealth.gov.au Website

The PrivateHealth.gov.au consumer website went “live” in early April. The number of visits to the site is steadily increasing, as more people become aware of the site through the “Private Health Improvements” campaign. PHIO staff members are fielding higher numbers of calls about the site and private health insurance generally, as a result of the campaign.

The scope of the project was much greater than was originally envisaged, with over 14 000 individual standard information statements now lodged on the website. PHIO would like to sincerely thank everyone who assisted in loading and checking the standard product information on the website. PHIO would also like to thank all of the industry people who assisted us in testing and correcting information on the site. This work has been essential to ensure the site is a reliable source of information for consumers.

## Standard Information Statements (SISs)

PHIO staff initially reviewed many entries on the website and will continue to request corrections where we become aware that they are necessary, but it is now the responsibility of each health insurer to maintain the accuracy of their own SISs. Health insurer staff with administrative access are the only people who are able to make changes to health insurer information on the website.

Health insurers are now required under the *Private Health Insurance Act 2007* to provide an SIS to new members upon joining. SISs should also be sent to the whole membership on a yearly basis, either with LHC mail outs or at a time to suit the health insurer.

## Importance of updating information

It is important to maintain accurate information on the website, as members may rely on SISs and advice on hospital agreements in making decisions to commence treatment. If a member has relied on information on the website which is later found to be incorrect, they may have strong grounds for complaint (depending on the individual circumstances of the complaint).

If a health insurer is concerned about a number of incorrect SISs on the website and cannot correct them immediately, they can contact David McGregor on 02 8235 8788, who can suspend SISs until such time as they are corrected (which temporarily removes them from the website).

### **Hospital Agreement Lists**

The “search for an agreement hospital” function is now on the website. This feature enables consumers to easily identify all hospitals that have agreements (and those that don’t) with a health insurer in a given area.

It is important that health insurers ensure that when hospital agreements are commenced or terminated, this information is updated on the website.

### **Next Steps**

PHIO will be conducting consumer focus testing on the website in the next few months. This information, along with feedback received on the site from consumers and stakeholders will be used as a basis for improving the operation of the site. A thorough review and update of the site is expected to occur late this year (dates will be advised). If you have any comments or concerns about any aspect of the site, please e-mail them to [feedback@privatehealth.gov.au](mailto:feedback@privatehealth.gov.au).

### **Waiting Periods Brochure**

Complaints about waiting periods usually comprise around ten percent of complaints to PHIO each quarter. While it is not the category with the highest complaint level, the application of waiting periods can have a significant financial impact on consumers, if they need treatment and find they are not covered. It is therefore important that new and upgrading members are given information about how any applicable waiting periods may impact on them.

PHIO is currently in the process of updating the “Waiting Periods” brochure to reflect the new requirements of the *Private Health Insurance Act 2007*. This brochure outlines the waiting periods for Hospital and General cover and includes important information for new and upgrading members on the pre-existing ailment and obstetrics waiting periods.

PHIO recommends that funds provide a copy of the brochure to new members and people who are still within waiting periods who contact the fund to enquire about treatment. Stocks of the updated brochure will be available in mid May and can be obtained by using the brochure order form on the PHIO website ([www.phio.org.au](http://www.phio.org.au)) or e-mailing [richard@phio.org.au](mailto:richard@phio.org.au).

## Complaints by Health Fund Market Share

**01 January - 31 March 2007**

Name of Fund	Complaints <sup>1</sup>	Percentage of Complaints	Level-3 Complaints <sup>2</sup>	Percentage of	
				Level-3 Complaints	Market Share <sup>3</sup>
ACA Health Benefits	0	0	0	0	0.1
AHM	16	2.7	3	1.4	2.4
Australian Unity	57	9.5	18	8.2	3.6
BUPA (HBA)	41	6.9	16	7.3	9.9
CBHS	3	0.5	2	0.9	1.1
CDH (Cessnock District Health)	0	0	0	0	<0.1
Credicare	3	0.5	0	0.0	0.4
Defence Health	6	1.0	0	0.0	1.4
Doctors' Health Fund	0	0	0	0	0.1
Druids Victoria	1	0.2	0	0	0.1
GMHBA	7	1.2	2	0.9	1.5
Grand United Corporate Health	2	0.3	0	0.0	0.3
HBF Health	12	2.0	4	1.8	7.9
HCF (Hospitals Cont. Fund )	39	6.5	16	7.3	8.8
Health Care Insurance	0	0	0	0	0.1
Health Insurance Fund of W.A.	2	0.3	1	0.5	0.4
Healthguard	4	0.7	2	1	0.6
Health-Partners	0	0.0	0	0.0	0.7
Latrobe Health	1	0.2	0	0	0.6
Manchester Unity	16	2.7	6	2.7	1.4
MBF Alliances	13	2.2	4	1.8	2.2
MBF Australia Limited	184	30.8	72	32.9	16.7
Medibank Private	141	23.6	53	24.2	28.7
Mildura District Hospital Fund	2	0	0	0	0.3
N.I.B. Health	31	5.2	12	5.5	6.2
Navy Health	0	0	0	0	0.3
Peoplecare	0	0.0	0	0	0.3
Phoenix Health Fund	0	0	0	0	0.1
Police Health	2	0	2	1	0.2
Queensland Country Health	4	0.7	2	0.9	0.2
Railway & Transport Health	3	0.5	1	0	0.3
Reserve Bank Health	0	0.0	0	0.0	<0.1
St Lukes Health	0	0.0	0	0.0	0.4
Teacher Federation Health	2	0.3	0	0	1.6
Teachers Union Health	4	0.7	2	0.9	0.4
Transport Health	0	0.0	0	0.0	0.1
Westfund	2	0.3	1	0.5	0.7
<b>Total for Registered Funds</b>	<b>598</b>	<b>100</b>	<b>219</b>	<b>100</b>	<b>100</b>

1. Number of Complaints (Levels 1, 2 & 3) from those holding registered health fund policies.
2. Level 3 Complaints required the intervention of the Ombudsman and the health fund.
3. Market share data provided by PHIAC as at 30 June 2006.