



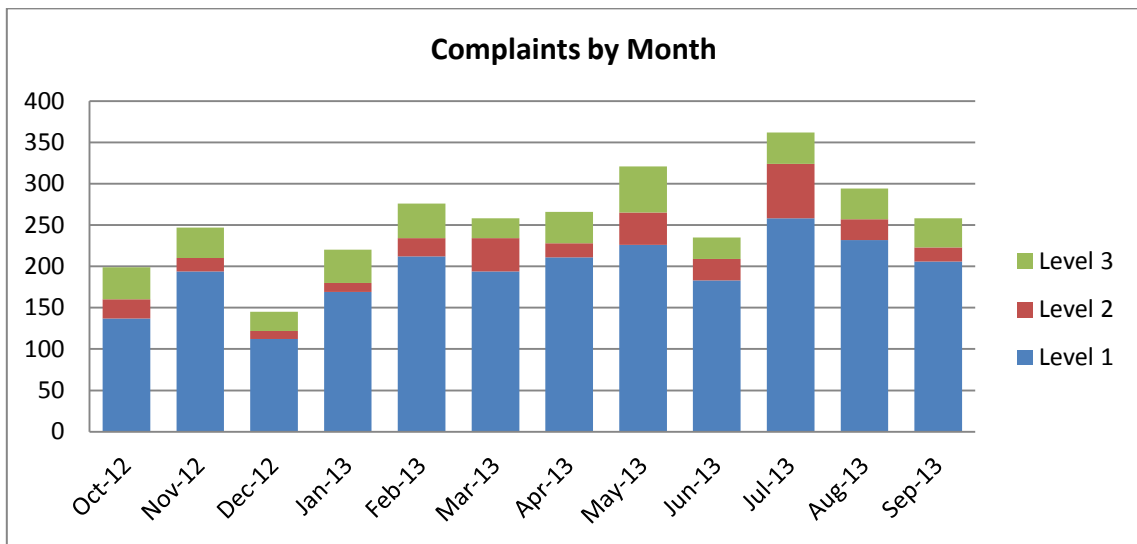
Issues in this bulletin

- Complaint Statistics & Workload
- Oral Information Complaints
- PHIO Contact Details
- PHIO Social Media Channel
- PHIO Annual Report

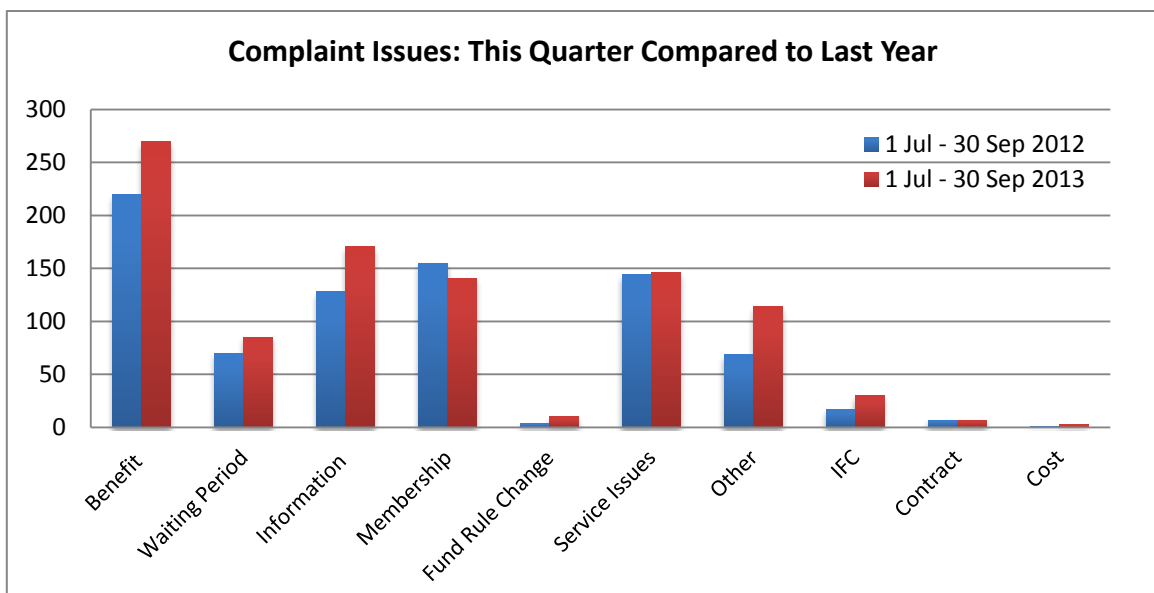
Quarterly Bulletin 68
(01 July – 30 September 2013)

Complaint Statistics & Workload

The Ombudsman received 914 complaints during the September quarter, compared with 822 complaints last quarter. This represented an increase of 16% on the 785 complaints received in the same quarter last year. July in particular was a busy period for the office, with an increased level of consumer dissatisfaction across a number of areas, as detailed below.



Compared to the same quarter last year the office received a higher number of complaints about benefits, information issues and waiting periods. The office also received a higher number of complaints categorised as “other”, attributable to a small number of administrative problems in relation to lifetime health cover and rebates.

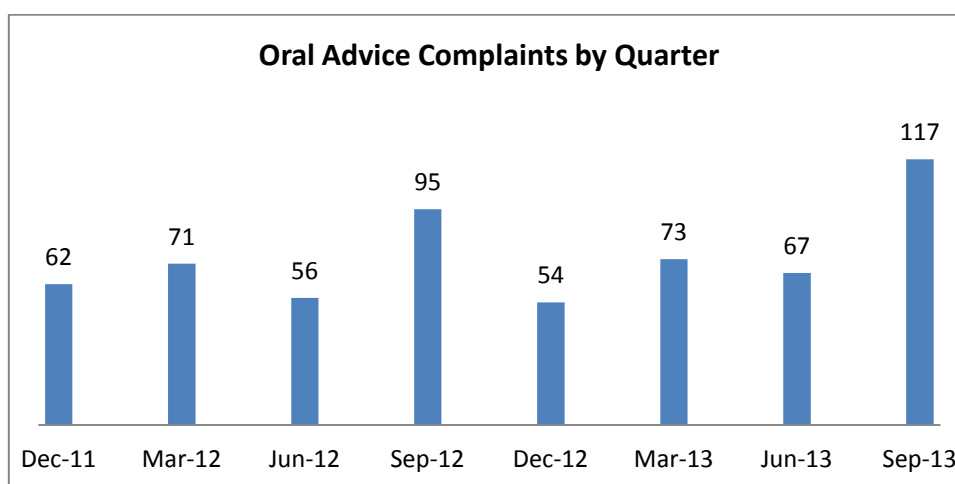


Increases in Oral Information Complaints

PHIO is concerned that the number of complaints regarding oral advice continues to be high. These complaints indicate that consumers are experiencing problems with incorrect or poorly explained advice provided through call centres or in retail centres. In our Quarterly Bulletin 67 (March 2013) we raised this issue and since then, the number of complaints about oral advice has increased again.

We have analysed the individual complaints and this has shown that the increase in complaints is attributable to a small number of insurers, and not the majority of insurers. As part of our role in reducing the cause of complaints, PHIO will be discussing these complaints with and recommending changes to the individual insurers concerned. We hope this will be the most effective way to address this issue.

For the rest of the industry, PHIO's staff met with health fund staff and discussed this issue during our recent complaint-handling road show.



Ensuring Consumers Can Find the Private Health Insurance Ombudsman

PHIO has recently undertaken a project to examine the visibility of PHIO's contact details on health fund websites and in online health insurance brochures. In most cases, PHIO's contact details were well displayed on fund websites. The project found that 23 health funds scored 4 and above on an "ease to find" scale from 1-5. Of these 23 funds, the majority also had a clear and concise internal complaints/dispute handling policy or an "important information"/"things you should know" section.

In relation to the remaining 11 health funds, contact details for PHIO were more difficult to locate, either because they were included in a large amount of fine print, or required numerous mouse clicks to navigate to the appropriate page on the website, making it difficult and somewhat frustrating for members to locate PHIO's details.

The majority of health funds listed PHIO's details in their online brochures. A significant number of health funds now produce one online brochure that provides members with a comprehensive overview of all products available for purchase, rather than a number of individual brochures on each level of cover. PHIO believes that having one brochure may be preferable to members, as they only need to read through one document to find PHIO's details and other important information.

PHIO is of the view that all health funds would greatly benefit from having an internal complaint/dispute handling policy readily available online for their members to view. This would reduce the number of instances where members are contacting PHIO without first lodging an internal complaint with the health fund directly. This allows the fund the opportunity to resolve the matter for its member without the need for PHIO intervention. It is also a requirement of good complaints handling in general. If members are easily able to access and understand their fund's internal complaints handling system and have their concern dealt with quickly and easily, they are also more likely to be satisfied with their fund and less likely to become aggrieved and frustrated because they can't find this information when they need it.

PHIO has contacted those funds who scored below 4 on the “ease to find” scale, or who did not have a clear and easily accessible internal complaints handling policy on their website, with some suggestions for improving the information available to members about their internal complaints handling and PHIO’s contact details. Pleasingly, all of the funds we have contacted have agreed to implement PHIO’s suggestions.

Privatehealth.gov.au & Social Media

PHIO will soon be launching a trial Facebook page linked to the consumer website www.privatehealth.gov.au. The purpose of the page will be to discuss general consumer issues related to private health insurance and enable consumers to ask questions about health insurance. The page will also be a handy location to keep up to date with announcements from PHIO.

The page will not include discussions of individual complaints, people or companies, as it would not be appropriate for such discussions to occur on a page managed by an Australian Government agency.

The Facebook page will be set up on a trial basis, as we are unsure how many staff hours will be required to monitor the site and respond to consumer enquiries. During 2012-13, the office responded to 1480 email and telephone enquiries from consumers, about a range of issues including LHC (Lifetime Health Cover), rebates, waiting periods and Overseas Visitors’ cover. We hope this new page will provide greater accessibility to information about these topics, particularly for those consumers who would like to contact us via social media channels.

PHIO Annual Report Released: Highlights from the Annual Report

The overall number of complaints received in 2012-13 was 2,955, a small decrease on the 2,995 complaints received the previous year.

There was a 29% decline in higher level complaints requiring more detailed investigation by the PHIO, reflecting PHIO’s work with insurers to reduce complaints from members, as well as industry’s commitment to improving its internal complaints handling practices.

Our client surveys showed a high level of customer satisfaction with the PHIO’s complaint handling service, with 85% of those surveyed reporting they were satisfied or very satisfied with the service.

The main issues forming the substance of complaints made to the PHIO in 2012-13 related to:

- questions about oral information provided by customer service staff in fund call centres and branches (289 complaints in 2012-13, compared with 261 in 2011-12);
- the pre-existing condition waiting period (207 complaints in 2012-13, which was the same number as in 2011-12); and
- issues relating to membership cancellation (192 complaints, compared with 148 the previous year).

Usage of the consumer website www.privatehealth.gov.au increased by 41% on the previous year with 621,865 unique visitors recorded. PHIO continued to receive consistently positive responses from website users: 92% of surveyed clients were happy with the website’s visual appeal; 87% rated the website as easy to use; 79% rated information as easy to find and 78% rated the information as being of very good or satisfactory quality.

The report is available on our website: www.phio.gov.au

Hard copies of the Report can be requested by contacting the Ombudsman’s office on (02) 8235 8777 or info@phio.gov.au. For media enquiries, please contact 0499 988 606 or media@phio.gov.au.

Complaints by Health Insurer Market Share

1 July - 30 September 2013

Name of Fund	Complaints(1)	Percentage of Complaints	Level-3 Complaints(2)	Percentage of Level-3 Complaints	Market Share(3)
ACA Health Benefits	1	0.1%	0	0.0%	0.1%
AHM	37	4.8%	2	2.2%	3.0%
Australian Unity	34	4.4%	6	6.7%	3.2%
BUPA (includes MBF)	235	30.5%	33	37.1%	26.7%
CBHS	13	1.7%	2	2.2%	1.3%
CDH (Cessnock District Health)	0	0.0%	0	0.0%	<0.1%
CUA Health	5	0.6%	1	1.1%	0.4%
Defence Health	6	0.8%	0	0.0%	1.6%
Doctors' Health Fund	0	0.0%	0	0.0%	0.2%
GMHBA	21	2.7%	2	2.2%	1.8%
Grand United Corporate Health	7	0.9%	1	1.1%	0.4%
HBF Health	31	4.0%	4	4.5%	7.6%
HCF (Hospitals Cont. Fund)	92	11.9%	8	9.0%	10.7%
Health.com.au	8	1.0%	1	1.1%	<0.1%
Health Care Insurance	1	0.1%	0	0.0%	0.1%
HIF (Health Insurance Fund of Aus.)	8	1.0%	1	1.1%	0.6%
Healthguard (GMF/Central West)	2	0.3%	0	0.0%	0.5%
Health-Partners	5	0.6%	0	0.0%	0.6%
Latrobe Health	5	0.6%	1	1.1%	0.7%
Medibank Private	154	20.0%	12	13.5%	27.1%
Mildura District Hospital Fund	0	0.0%	0	0.0%	0.2%
National Health Benefits Aust.	0	0.0%	0	0.0%	0.1%
NIB Health	78	10.1%	10	11.2%	7.6%
Navy Health	0	0.0%	0	0.0%	0.3%
Peoplecare	2	0.3%	0	0.0%	0.5%
Phoenix Health Fund	0	0.0%	0	0.0%	0.1%
Police Health	1	0.1%	0	0.0%	0.3%
QLD Country Health Fund	0	0.0%	0	0.0%	0.3%
Railway & Transport Health	5	0.6%	1	1.1%	0.4%
Reserve Bank Health	0	0.0%	0	0.0%	<0.1%
St Lukes Health	0	0.0%	0	0.0%	0.4%
Teachers Federation Health	14	1.8%	4	4.5%	1.8%
Teachers Union Health	1	0.1%	0	0.0%	0.4%
Transport Health	0	0.0%	0	0.0%	0.1%
Westfund	4	0.5%	0	0.0%	0.8%
Total for Health Insurers	770	100%	89	100%	100%

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. Source: PHIAC, Market Share, All Policies, 30 June 2012