



Australian Government

Private Health Insurance Ombudsman

MEDIA RELEASE

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Private Health Insurance Ombudsman releases 2013-14 Annual Report

The Private Health Insurance Ombudsman (PHIO) Samantha Gavel today released her office's Annual Report, detailing activities undertaken between 1 July 2013 and 30 June 2014, to protect the interests of consumers in relation to private health insurance.

Ms Gavel highlighted the 45% increase in unique visits to the PHIO consumer website, PrivateHealth.gov.au, as a standout result in 2013-14. There were 899, 841 unique visitors to the site. She said the increase was a particularly pleasing demonstration of consumers' active willingness to be diligent on their own behalf when it came to making decisions about private health insurance.

Ms Gavel pointed out that the PrivateHealth.gov.au website is Australia's leading source of information for consumers on private health insurance policies. She encouraged all Australians wanting to understand more about how private health insurance works and how to choose a policy that suits their individual needs and those of their families, to use it.

"It's no secret that the best private health insurance outcomes for consumers can only be achieved through access to the best information," she said. "So the 45 per cent lift in website traffic in 2013-14, on top of the 41% increase in 2012-13, is very gratifying for my office in signalling positive changes to consumer behaviour."

Other highlights for 2013-14 include:

- continued positive feedback from consumers in relation to the website, with consistently positive responses on the major criteria: 90% of surveyed clients were happy with the website's visual appeal; 88% rated the website as easy to use; 85% rated information as easy to find; and 84% rated the information as being of very good or satisfactory quality;
- a continued high level of customer satisfaction with the PHIO's complaint handling service, with 86% of those surveyed reporting they were satisfied or very satisfied with the service;
- the development of a new national private/public Acute Care Certificate following the conclusion of a successful consultation process with private health insurers and state/territory health departments;
- the launch of the PHIO's social media channel in early 2014; and
- the PHIO receiving a Highly Commended award for its 2012-13 Annual Report in the small FMA Act category of the Institute of Public Administration (ACT Division) Annual Report Awards.

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The overall number of complaints received in 2013-14 was 3,427, which represented a 16% increase on the 2,995 complaints received the previous year.

Ms Gavel stressed that it was important to note that the increase in complaints this year was not industry wide. It was largely attributable to a number of significant product and policy changes made by a large health insurer, which impacted on its members and resulted in higher numbers of complaints to the PHIO.

The main issues in complaints made to the PHIO in 2013-14 related to:

- questions about oral information provided by customer service staff in fund call centres and branches (410 complaints in 2013-14, compared with 289 complaints in 2012-13);
- hospital exclusions and restrictions (242 complaints in 2013-14, compared with 180 in 2012-13);
- the pre-existing condition waiting period (229 complaints in 2013-14, compared with 207 in 2012-13); and
- a decline in complaints about clearance certificates (106 complaints in 2013-14, compared with 152 in 2012-13). This reflected the work done by industry to improve clearance certificate processes across all health insurers to enable a smoother transition for consumers transferring between insurers.

Ms Gavel noted that the overall increase in complaint numbers in 2013-14 flowed through into higher numbers of complaints requiring more detailed investigation by the PHIO, but cautioned that this statistic was not representative of an industry-wide trend.

“In 2013-14, the PHIO received 580 higher level complaints, which was a 28% increase on the 450 received the previous year. Again, this increase was not industry wide, but due to higher numbers of complaints from members of a large insurer in response to a number of policy and product changes made during the year.”

The PHIO has been working closely with the insurer to assist it in reducing complaints and complaint levels for this insurer have been declining in recent months.

The Private Health Insurance Ombudsman’s 2013-2014 Annual Report can be viewed on the Ombudsman’s website at www.phio.gov.au and copies of the Report can be requested by contacting the Ombudsman’s office on (02) 8235 8777.

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Further information: PHIO Media – 0499 988 606