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Quarterly Bulletin 51

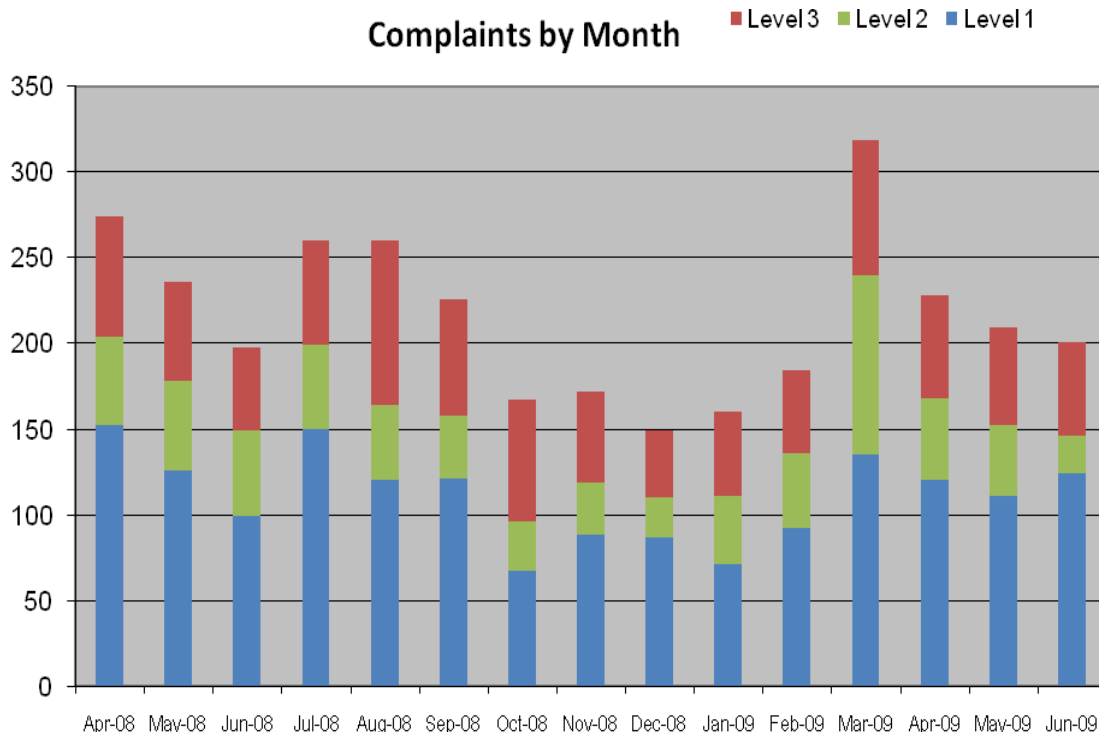
(1 April to 30 June 2009)

Complaint Statistics & Workload

The office received 593 complaints about registered health insurers during the June quarter, which was 79 (12%) less than the same quarter last year. Of the 593 complaints received, 154 were Level-3 complaints, which was 9 (6%) less than the same quarter last year.

During the quarter, PHIO also received 39 complaints about hospitals, 24 complaints about *overseas visitor*¹ covers and 15 complaints about medical and dental practitioners.

The office responded to 411 enquiries from visitors to the privatehealth.gov.au website during the quarter. Many enquiries came from consumers who had received letters from the government about their need to take out insurance to avoid the lifetime health cover loading.



¹ Whilst overseas visitors' covers are considered to be Health Related Business and not Complying Health Insurance Policies (CHIPs) under the *Private Health Insurance Act 2007*, complaints about this type of insurance are able to be investigated by PHIO. Complaint statistics for overseas visitor covers are reported separately from complaints about CHIPs.

Hospital Contracting Issues

A significant issue for the office this quarter has been a dispute between an insurer and hospital group which has resulted in the cessation of the contract between the parties. A contract termination is essentially a commercial matter between an insurer and a hospital provider and there is no requirement on either party to enter into an agreement with the other party. The PHIO is aware that a dispute of this nature is a commercial issue. However, a contract cessation can adversely impact on the rights of consumers in relation to their health insurance and the Ombudsman is able to assist in a situation where this is likely to be the case through informal and formal mediation between the parties in dispute.

The Ombudsman has a role in ensuring the interests of consumers are protected in any such dispute. The industry has for many years agreed to be guided by the Ombudsman's Termination Protocols, which set out transitional arrangements to ensure that current and pre-booked patients are not disadvantaged. These Protocols are in the process of being updated in consultation with industry and the new version will be available shortly.

In the meantime, there have been a number of issues of concern to the PHIO in relation to the present dispute that will need to be addressed to prevent similar occurrences in any future disputes. The office will be taking these issues up with stakeholders.

The PHIO's expectation is that parties to a contract dispute work in good faith to resolve the issues of concern and minimise the impact on consumers. In particular, consumers should not be used as a means by one party to pressure the other.

Communications with members and patients should be factual and neutral in tone. They should not impute motives to or be disparaging of the other party. Media statements should be limited to statements of facts that need to be communicated to members and patients (for example if it is necessary to inform the wider membership of the contract cessation via the media). Media statements that are intended to put the case for one party and denigrate the other can have a negative impact on consumer perceptions of the industry. Communications that are unnecessarily alarmist can also cause distress and confusion to members and patients and make it more difficult for the parties to resolve the dispute.

Both parties need to bear in mind that in the longer term, they are likely to be in contract again and it is in their interests to take a longer term view of the dispute.

Overseas Visitor Information on PrivateHealth.gov.au

A new section has been included on the privatehealth.gov.au website with the aim of assisting overseas visitors who are not eligible for Medicare. The section was added in response to complaints from overseas visitors about their policies and frequently asked questions coming into PHIO via email.

The direct link to the new section is <http://www.privatehealth.gov.au/ovos/default.htm>

PHIO Client Satisfaction Survey Results

PHIO recently conducted its annual client satisfaction survey; 128 complainants responded to the survey. Overall satisfaction with the complaint handling service improved from 78% last year to 88% this year.

Of the complainants who indicated they received the resolution they were seeking to their complaint, satisfaction with the office was reported as 100%. This indicates that many complainants base their views of the service provided by the PHIO on whether or not the office is able to change a decision made by their health insurer. For example, the results of the 2008 survey were somewhat affected by responses from members who had not received the allocation they believed they were entitled to under a fund demutualisation scheme. These members in particular were aggrieved that the PHIO was not able to increase their allocation.

A summary of the key results is below.

	2008	2009
Overall Satisfaction with complaint handling service	78%	88%
Agreed that staff listened to concerns adequately	87%	98%
Satisfied with Staff Manner	75%	89%
Resolved complaint (or provided an adequate explanation)	65%	87%
Thought PHIO acted independently	80%	87%
Would recommend PHIO service to others	76%	91%
Happy with time taken resolving complaint	74%*	83%

Clearance (Transfer) Certificates

PHIO regularly receives complaints from consumers concerning delays and problems in sending clearance (transfer) certificates. The office is currently looking into the issues and will report in the next bulletin.

Complaints by Health Insurer Market Share

1 April - 30 June 2009

Name of Fund	Complaints(1)	Percentage of	Level-3	Percentage of	Market
		Complaints	Complaints(2)	Level-3	Share(3)
ACA Health Benefits	0	0.0%	0	0.0%	0.1%
AHM	30	5.1%	12	7.8%	3.0%
Australian Unity	37	6.2%	9	5.8%	3.2%
BUPA (HBA)	46	7.8%	14	9.1%	9.8%
CBHS	2	0.3%	0	0.0%	1.2%
CDH (Cessnock District Health)	0	0.0%	0	0.0%	<0.1%
CUA Health	2	0.3%	0	0.0%	0.4%
Defence Health	6	1.0%	1	0.6%	1.4%
Doctors' Health Fund	0	0.0%	0	0.0%	0.1%
GMHBA	12	2.0%	6	3.9%	1.5%
Grand United Corporate Health	4	0.7%	3	1.9%	0.3%
HBF Health	19	3.2%	5	3.2%	7.5%
HCF (Hospitals Cont. Fund)	32	5.4%	4	2.6%	8.9%
Health Care Insurance	1	0.2%	0	0.0%	0.1%
Health Insurance Fund of W.A.	5	0.8%	2	1.3%	0.4%
Healthguard	4	0.7%	0	0.0%	0.5%
Health-Partners	2	0.3%	0	0.0%	0.6%
Latrobe Health	4	0.7%	2	1.3%	0.6%
Manchester Unity	24	4.0%	3	1.9%	1.5%
MBF Alliances	15	2.5%	3	1.9%	2.0%
MBF Australia Limited	125	21.1%	28	18.2%	15.7%
Medibank Private	135	22.8%	35	22.7%	28.7%
Mildura District Hospital Fund	0	0.0%	0	0.0%	0.3%
National Health Benefits Aust.	0	0.0%	0	0.0%	<0.1%
N.I.B. Health	59	9.9%	22	14.3%	7.0%
Navy Health	2	0.3%	0	0.0%	0.2%
Peoplecare	0	0.0%	0	0.0%	0.3%
Phoenix Health Fund	0	0.0%	0	0.0%	0.1%
Police Health	2	0.3%	0	0.0%	0.3%
QLD Country Health Fund	1	0.2%	0	0.0%	0.2%
Railway & Transport Health	4	0.7%	0	0.0%	0.3%
Reserve Bank Health	0	0.0%	0	0.0%	<0.1%
St Lukes Health	1	0.2%	0	0.0%	0.4%
Teacher Federation Health	14	2.4%	3	1.9%	1.7%
Teachers Union Health	2	0.3%	1	0.6%	0.4%
Transport Health	0	0.0%	0	0.0%	0.1%
Westfund	3	0.5%	1	0.6%	0.7%
Total for Health Insurers	593	100%	154	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 2008