

Quarterly Bulletin 55

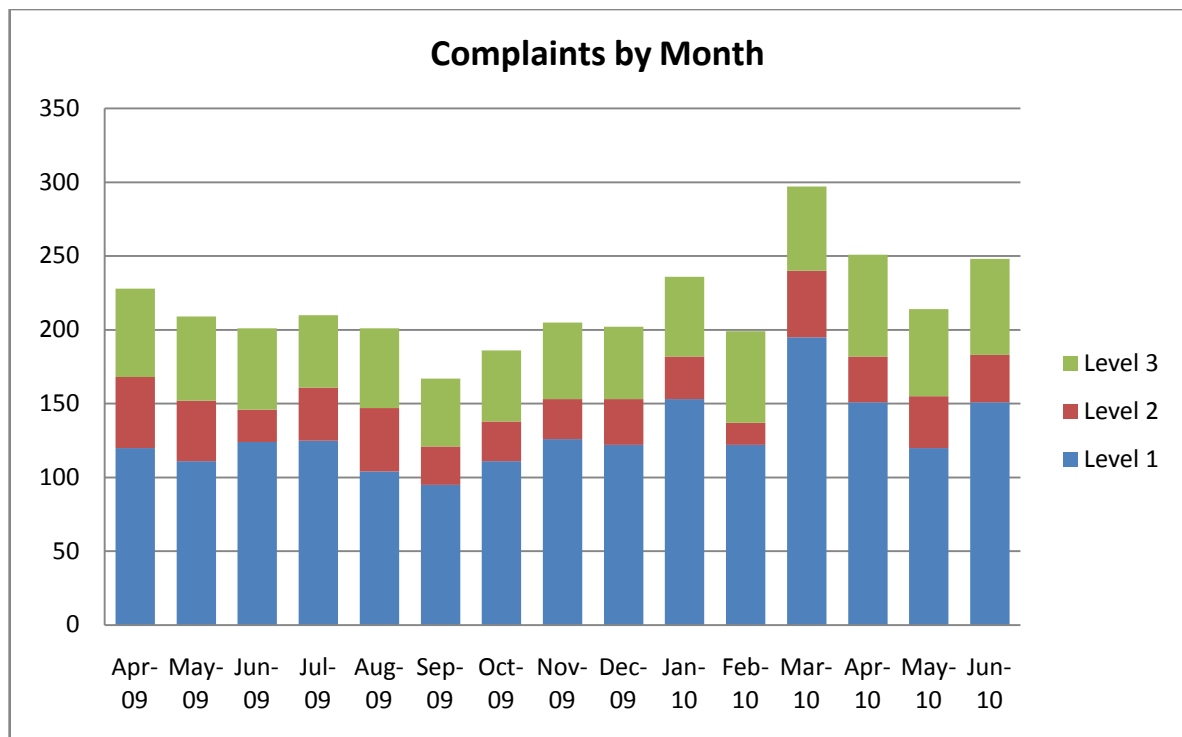
(01 April – 30 June 2010)

Complaint Statistics & Workload

The office received 643 complaints about registered health insurers during the June quarter, which was 4% less than the previous quarter but an increase of 8% compared to the same period last year.

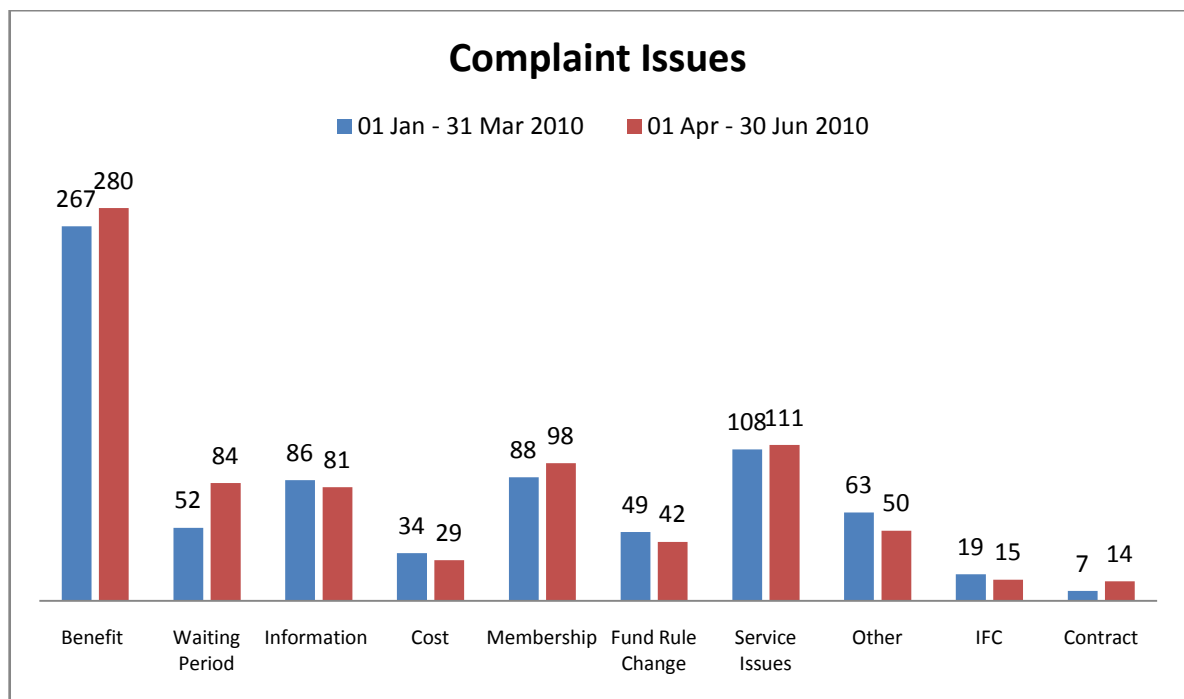
Of the complaints received 172 were classified as Level 3 complaints. This was an increase of 8% on the previous quarter and increase of 12% compared to the same period last year.

Other complaints received by the office included 36 complaints about hospitals, 19 complaints about doctors, 8 complaints about other practitioners, 2 complaints about dentists and 2 complaints about brokers. The “Ask a Question” mailbox on privatehealth.gov.au responded to 584 consumers with questions about the website and related health insurance questions, an increase of 41% on the previous quarter.



Similar to the previous quarter, the most significant area of complaint to PHIO related to benefits. The office received 84 complaints concerning waiting periods which was a significant increase (60%) on the previous quarter. 61 Complaints related to insufficient levels of cover, 42 were related to detrimental rule changes to policies, 21 concerned benefit amounts and 55 were about delays in payments. The office received 12 complaints about hospital gaps and 29 complaints about medical gaps.

Service issue complaints were similar to last quarter, with 62 general service issue complaints and 49 complaints about premium payment problems. Information complaints were also similar, with 81 complaints about oral and written information from health insurers. The office received 54 complaints about cancelling memberships and 25 about transferring memberships, which was higher than the previous quarter.



Lifetime Health Cover 10 Year rule

Under the Lifetime Health Cover (LHC) rules, any loading must be removed after an insured person has held hospital cover for 10 continuous years. The 10 years may be interrupted by permitted days without hospital cover, which could include:

- Suspensions of membership, as agreed to by the insurer;
- Periods of time overseas that exceed one year; and
- 1094 'Days of Absence' per lifetime.

The 10 year provision of the Private Health Insurance Act 2007 will be applied for the first time very soon, as the first people who incurred a loading by joining after the 1 July 2000 deadline and have since held continuous cover, now become eligible for the loading to be removed.

While it should be a straightforward matter for insurers to remove the loading for people who've held continuous cover with one fund, the matter becomes more complex when it comes to members who have changed funds several times or utilised one or more forms of their permitted days without hospital cover.

These situations will become more common as the 10 year provision starts to affect more members and as more people become aware that they could be eligible for the removal of loading. It becomes very important in these situations for insurers to hold accurate records of their current members' insurance history, including all periods of permitted days without hospital coverage. Equally, insurers should ensure that they provide departing members with transfer certificates that verify the same information.

The LHC Calculator on www.privatehealth.gov.au will be updated soon to account for the 10 year provisions.

Industry Consultation – Acute Care Certification

The PHIO is organising an industry consultation with State Health Departments, public hospitals and insurers in regard to arrangements for the certification of long stay patients in public hospitals. Preliminary discussions with stakeholders are now almost complete. These discussions have given us an insight into the scope and nature of the problems with the current process.

The next phase of the consultation will be a facilitated industry day where representatives from health insurers, Commonwealth and State health departments and hospitals can work through the identified problems with the current certification process and then start to look at options for resolving these problems. Prior to the industry day, PHIO will distribute a brief discussion paper to summarise the issues raised during the preliminary phase of the consultation and provide a framework for funds and health departments/hospitals to start thinking about improvements.

If you would like more information about the consultation or would like to provide input, please contact Leonie Hull via email at leonie@phio.org.au.

Restrictions and Exclusions on Plastic and Reconstructive Surgery

A review of complaints to the PHIO in the last twelve months about restrictions and exclusions on plastic and reconstructive surgery reveals that information about these restrictions in fund brochure material is in some cases insufficient or inconsistent. The PHIO will be focussing on this issue over the next three months and discussing ways to provide clearer information about these restrictions with those insurers whose members have been lodging complaints about this issue with the PHIO.

Website Bulletins

PHIO has commenced sending bulletins to update stakeholders about developments to the privatehealth.gov.au website.

The current mailing list includes those who are listed as users on the website interface. If you wish to be added to the distribution list please email alison@phio.org.au.

Change of Address

PHIO has changed address. Our new address (including postal address) is:

Suite 2202, Level 22
580 George Street
Sydney NSW 2000

Phone and fax numbers remain the same:

Complaint Hotline: 1800 640 695
Reception: 02 8235 8777
Fax: 02 8235 8778
Email: info@phio.org.au

Complaints by Health Insurer Market Share

01 April - 30 June 2010

Name of Fund	Complaints(1)	Percentage of Complaints	Level-3 Complaints(2)	Percentage of Level-3 Complaints	Market Share(3)
ACA Health Benefits	0	0.0%	0	0.0%	0.1%
AHM	21	3.3%	6	3.5%	3.0%
Australian Unity	34	5.3%	8	4.7%	3.2%
BUPA (HBA)	75	11.7%	25	14.5%	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	1	0.2%	0	0.0%	0.4%
Defence Health	4	0.6%	0	0.0%	1.4%
Doctors' Health Fund	0	0.0%	0	0.0%	0.1%
GMHBA	9	1.4%	1	0.6%	1.5%
Grand United Corporate Health	2	0.3%	0	0.0%	0.3%
HBF Health	17	2.6%	3	1.7%	7.6%
HCF (Hospitals Cont. Fund)	32	5.0%	8	4.7%	8.9%
Health Care Insurance	0	0.0%	0	0.0%	0.1%
Health Insurance Fund of W.A.	5	0.8%	2	1.2%	0.4%
Healthguard	2	0.3%	0	0.0%	0.5%
Health-Partners	3	0.5%	0	0.0%	0.6%
Latrobe Health	9	1.4%	0	0.0%	0.6%
Manchester Unity	23	3.6%	5	2.9%	1.5%
MBF Alliances	25	3.9%	5	2.9%	1.9%
MBF Australia Limited	146	22.7%	49	28.5%	15.7%
Medibank Private	169	26.3%	36	20.9%	28.6%
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	38	5.9%	15	8.7%	7.1%
Navy Health	0	0.0%	0	0.0%	0.2%
Peoplecare	1	0.2%	0	0.0%	0.3%
Phoenix Health Fund	0	0.0%	0	0.0%	0.1%
Police Health	1	0.2%	0	0.0%	0.3%
QLD Country Health Fund	5	0.8%	0	0.0%	0.2%
Railway & Transport Health	0	0.0%	0	0.0%	0.3%
Reserve Bank Health	0	0.0%	0	0.0%	<0.1%
St Lukes Health	1	0.2%	1	0.6%	0.4%
Teacher Federation Health	11	1.7%	6	3.5%	1.7%
Teachers Union Health	1	0.2%	1	0.6%	0.4%
Transport Health	0	0.0%	0	0.0%	0.1%
Westfund	6	0.9%	1	0.6%	0.8%
Total for Health Insurers	643	100%	172	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 2009