



Australian Government

Private Health Insurance Ombudsman

# State of the Health Funds Report 2013



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The Private Health Insurance Ombudsman

# State of the Health Funds Report 2013

*Relating to the financial year 2012–13*

*Report required by 238-5(c) of the Private Health Insurance Act 2007*



# Foreword

I am pleased to present the annual *State of the Health Funds Report* relating to the financial year 2012–2013. The release of this report marks ten years of public reporting by the Private Health Insurance Ombudsman (PHIO) in relation to the comparative performance of Australia's registered health funds.

The *Private Health Insurance Act 2007* requires the PHIO to publish the *State of the Health Funds Report* after the end of each financial year, to provide comparative information on the performance and service delivery of all health funds during that financial year.

The main aim of publishing the report is to give consumers some extra information to help them make decisions about private health insurance. For existing fund members, the report provides information that will assist them to compare the performance of their fund with all other health funds. For those considering taking out private health insurance, it provides an indication of the services available from each fund and a comparison of some service and performance indicators at the fund level.

The information in the report supplements information available on the consumer website [www.privatehealth.gov.au](http://www.privatehealth.gov.au), which was developed and is maintained by PHIO. The website provides a range of information to assist consumers' understanding of private health insurance and select or update their private health insurance policy. The information on the website, together with the *State of the Health Funds Report*, greatly increases the information available to consumers about private health insurance. This enables consumers to choose health insurance policies that better meet their individual needs.

The range of issues and performance information in this year's report is the same as previous reports, and has been chosen after taking into account the availability of reliable data and whether the information is reasonably comparable across funds. The information included in the report is based on data collected by the Private Health Insurance Administration Council (PHIAC), as part of their role in statistical reporting and monitoring of the financial management of health funds.



Ombudsman Samantha Gavel

I would like to acknowledge the significant contributions of PHIO staff members Alison Leung and Henry Oentojo in the production of the report. I would also like to thank PHIAC for its assistance and advice in relation to the report.

*Samantha Gavel*

**Samantha Gavel**  
Private Health Insurance Ombudsman  
March 2014

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# Introduction

## Using This Report to Compare Funds

*You can use the information contained in this report either to identify possible funds to join or to assess your current fund's performance.*

*No single indicator should be used as an indicator of overall fund performance. In most cases, a seemingly poor performance on one indicator will be offset by a good performance on other factors.*

### **The State of the Health Funds Report**

The *State of the Health Funds Report* (SOHFR) compares how health funds perform across the following criteria:

- ▶ Service Performance
- ▶ Hospital Cover
- ▶ Medical Gap Cover
- ▶ General Treatment (Extras) Cover
- ▶ Financial Management
- ▶ Health Fund Operations

You can use the information contained in this report to identify possible funds to join, or to assess your existing fund's performance if you're reviewing your current needs.

You can use the range of indicators included in this report as a menu to choose the factors of most importance to you — not all factors will be of equal importance to every individual or family.

For instance, if you prefer to do business with a health fund in person and then you should consider the availability of retail offices to be an important consideration. However, if you prefer to do as much of your business as possible over the internet, the range of services available through the funds' websites will be more important than the branches.

More information about particular indicators is provided in the explanations preceding each of the tables in this report.

If you're considering taking out private health insurance for the first time, the Ombudsman suggests you use the report to identify a number of funds — preferably at least three — for further investigation.

None of the indicators used in this report should be relied on solely as an indicator of fund performance. In most cases, a seemingly poor performance on one indicator will be offset by a good performance on other factors.

## **Where to find more information about selecting a policy**

The PHIO brochure 'Health Insurance Choice: Selecting a Health Insurance Policy' includes important advice on what to consider and what questions to ask when selecting a hospital cover policy. It also includes information on government incentives relating to hospital cover such as the 'Medicare Levy Surcharge Exemption' and 'Lifetime Health Cover'.

These brochures, as well as other publications, can be found on [www.phio.gov.au](http://www.phio.gov.au) or obtained on request from the Ombudsman's office.

The report does not include detailed information on price and benefits for particular health insurance policies. Information on specific policies is available from the Ombudsman's consumer website [www.privatehealth.gov.au](http://www.privatehealth.gov.au), where you can search for and compare information about every health fund and policy in Australia.

**Disclaimer: Nothing contained in this report should be taken as a recommendation by the Private Health Insurance Ombudsman in favour of any particular health fund or health insurance policy.**

## **Fund Names**

Throughout this report, health funds are referred to by an abbreviation of their registered name, rather than any brand name that they might use. This abbreviated name appears on the left side of the heading for each fund in the 'Health Fund Listing' section. Some open membership funds use several different brand names.

## Current and Recent Brand Names

Brand Name	Fund
Australian Country Health	Medibank
Australian Health Management	Medibank
Country Health	Medibank
CY Health	Healthguard
Druids	GMHBA
Federation Health	Latrobe
Frank, FIT, RACT	GMHBA
GMF Health	Healthguard
Goldfields	Healthguard
Government Employees	Medibank
Grand United Corporate Health	Australian Unity
HBA	BUPA
Illawarra Health Fund	Medibank
IOOF	NIB
IOR	HCF
Manchester Unity	HCF
MBF	BUPA
Mutual Community	BUPA
Mutual Health	Medibank
NRMA Health	BUPA
SGIC (SA)	BUPA
SGIO (WA)	BUPA

## About The Data Used in This Report

*The information used in the Report in order to compare health funds is based on data collected for regulatory purposes. This information is the most appropriate, independent and reliable data available.*

*The Report is intended to help you to decide which health funds to consider, though it won't necessarily indicate which of the fund's policies to purchase. Virtually all funds offer more expensive policies that can be expected to provide better than average benefits as well as cheaper policies that provide less.*

### Open and Restricted Membership Health Funds

Membership of 'open' health funds is available to everyone.

'Restricted membership' health funds have certain membership criteria which mean they aren't available to all consumers. For example, membership may be restricted to employees of certain companies or occupations, or members of particular organisations.

Where applicable, open and restricted membership funds are listed separately in each of the tables in this report.

## Information About Policies

The information included in the report on fund contributions and benefits indicates the average outcomes across all of a fund's policies and so can't be taken as an indicator of the price or benefit levels that can be expected for any particular policy.

Virtually all funds offer more expensive policies that can be expected to provide better than average benefits and most also offer cheaper policies that provide less.

This Report can help you to decide which health funds to consider, but won't necessarily help you to decide which of the funds' policies to purchase.

For information about specific policies, the website [www.privatehealth.gov.au](http://www.privatehealth.gov.au) enables you to view standard information outlining the main features of any health insurance policy. You can compare Standard Information Statements for any policy available for purchase from any fund, including the level of cover, excess and price. The website is also a good resource of independent and reliable information about private health insurance.

## Data Collection

The need to obtain independent, reliable data has been a key consideration in putting together the report. The data selected by the Ombudsman as the most appropriate available is collected by the industry regulator, the Private Health Insurance Administration Council (PHIAC). PHIAC has supplied most of the data published in this report.

Funds report to PHIAC for regulatory purposes and not all of the data is publicly available. Some of this information is useful to consumers and is therefore reproduced in this report. You should note that the data is collected primarily for regulatory purposes and not for the purposes of the *State of the Health Funds Report*. Accordingly, it's important to read the accompanying text explaining the data in conjunction with the tables.

As funds differ in size, most of the statistical information is presented as percentages or dollar amounts per membership, for easier comparison. No attempt has been made to weight the importance of various indicators, as these are subjective judgements very much dependent on your particular circumstances, preferences and priorities. For this reason, it would not be valid to average all the scores indicated to obtain some form of consolidated performance or service delivery score.

The report provides you with additional information about the benefits that were paid by each fund over the last year. The report also provides information about the extent of cover provided for hospital, medical and general treatment, and any state based differences in coverage. The selection of indicators used in this report is not intended to represent the full range of factors that should be considered when comparing the performance of health funds. The range of indicators has been limited to those for which there is reliable comparative information available.

# Key Consumer Issues

*There was a small decline in complaints to the Private Health Insurance Ombudsman (PHIO) in 2012–13, with 2,955 complaints recorded, compared with 2,995 the previous year.*

*Pleasingly, there was a 29% decline in the number of higher level complaints requiring investigation by PHIO, with 450 higher level complaints recorded in 2012–13, compared with 630 in the previous year. This continued the downward trend in higher level complaints and reflects both the work of health funds in improving their own internal complaints handling practices and PHIO's work to assist health funds to identify and address systemic issues causing complaints.*

## Introduction

The Private Health Insurance Ombudsman (PHIO) is the statutory government agency tasked under the *Private Health Insurance Act 2007*(Cth) (the Act) with protecting the interests of people covered by private health insurance.

PHIO provides independent, objective, accessible and timely complaints handling and advice services to government, industry and Australia's ten million health insurance consumers. In carrying out its role, PHIO promotes confidence in and supports the Government's commitment to private health insurance.

Under the Act, PHIO's objective is to protect the interests of people covered by private health insurance. PHIO carries out this role through a range of functions and services, including:

- ▶ PHIO's reporting and advice to government and industry about complaints and issues of concern to consumers;
- ▶ PHIO's independent complaints handling service which operates nation-wide;
- ▶ mediation of contract disputes between health funds and private hospitals;
- ▶ consumer education and advice services, which include the consumer website, PrivateHealth.gov.au; and
- ▶ mediation of contract disputes between health funds and private hospitals.

In particular, PHIO's consumer information and advice services have become increasingly important in recent years. The best private health insurance outcomes result from access to the best information. The availability of independent and reliable information to assist consumers to better understand their private health insurance and choose policies that meet their needs and those of their families will continue to be important into the future.

## How PHIO Deals With Complaints

The level of complaints about private health insurance issues is relatively low, compared with that for other industries, such as telecommunications and financial services.

There are a number of reasons for this. The Act contains a number of provisions which protect consumers. These include community rating, which prevents funds from discriminating against people on the grounds of age or illness; approval processes for premium increases and the prudential regulation of the industry. They also include establishing PHIO as the independent, industry Ombudsman, whose overall objective under the Act is to protect the interests of people with private health insurance.

In addition, although funds that operate as 'for profit' entities now comprise about 68% of the market<sup>1</sup>, Australia's private health insurance industry was historically founded on the concept of mutuality, where organisations were established for the purpose of enabling their members to access health services. This ethos still informs the work of the industry today.

Each year, there are millions of health insurance transactions and services. Most of these proceed smoothly. PHIO's role is to assist with those transactions that don't proceed smoothly, by assisting with the resolution of individual complaints and identifying systemic issues causing complaints within a fund or the industry more broadly. In addition, PHIO works with industry to improve complaint handling practices and address the issues causing complaints.

Complaints to PHIO provide an important insight into issues of concern to consumers in relation to private health insurance and are representative of the issues and concerns that members raise with their funds.

In dealing with complaints, PHIO assists members to preserve their relationship with their fund by assisting them to resolve

1. For profit funds include Medibank, BUPA, NIB and Australian Unity. See Annual Report of the Operations of Private Health Insurers, 2011–12 p.5, PHIAAC at [www.phiac.gov.au](http://www.phiac.gov.au).



their complaint. In many cases, this is achieved by PHIO staff members providing a more detailed explanation of how their health insurance works, or by correcting a misunderstanding. PHIO is also able to use its complaints data to assist the industry to reduce complaints.

Good internal complaints handling, which leads to lower levels of complaint overall, as well as reduced levels of escalation to bodies like PHIO, requires consistency and commitment from across an organisation. Changes in policies or procedures from one section of an organisation can impact either positively or negatively on complaint numbers for the organisation as a whole. If it is a negative impact, it can take many months to correct.

An organisational culture that considers the potential for complaints in decisions that impact on its members, anticipates issues that might lead to complaints and puts processes in place to counter this is therefore essential if a consistent reduction in complaints to the organisation and to external bodies like PHIO is to be achieved.

It is important for any organisation to focus on the value of complaints. People who complain are giving an organisation their feedback cost free, without the need to pay for focus testing or market research. Many people who encounter a problem do not complain — they simply take their business elsewhere.

In the past, they would tell their friends and relatives about their negative experience, but today, they are increasingly likely to take to social media to vent their frustration — and in the process, tell a much wider audience about their concerns.

Consumer expectations have increased in recent years and this trend is likely to continue. The challenge for organisations is to meet these expectations where it is reasonable to do so.

So a culture that values complaints and the lessons to be learned from them is critical in managing the relationship with members and in providing consistently good customer service that encourages members to stay with an organisation and not look to move elsewhere.

An important part of PHIO's role in complaints handling is to assist and encourage funds to improve their internal complaints handling practices in order to reduce complaints.

The continued decline in higher level complaints requiring investigation by PHIO is a testament to this work and the work done by funds themselves to improve their internal complaints handling processes.

## Complaint Issues

The issues causing higher numbers of complaints from consumers in 2012–13 included Oral Advice given by fund staff members in branches and call centres, the Pre-Existing Condition Waiting Period and Membership Cancellation issues.

At the same time, there was a decline in complaints about Hospital Exclusions and Restrictions, Fund Rule Changes and Delays in Payment.

Some years ago, PHIO was able to report a decrease in complaints about Oral Advice given by fund staff in call centres and branches to fund members. The decrease in complaints at this time was primarily due to the introduction of call recording technology by a number of funds, which makes

complaints about Oral Advice issues much easier to resolve.

It has therefore been somewhat surprising to see an increase in the number of complaints about Oral Advice in recent years. In 2012–13, PHIO received 289 complaints specifically about Oral Advice, compared with 261 the previous year. An analysis of PHIO complaints data suggests that a large proportion of problems arise from advice provided by fund staff in branches, where staff members are very busy managing a constant flow of face-to-face interactions. This makes it difficult for them to consistently record notes of their interactions with members.

Without a call recording or note made by staff in a retail centre of what was discussed, it is difficult for both funds and PHIO to resolve complaints about incorrect Oral Advice.

There are also challenges for funds in training and retaining staff that can give advice about private health insurance, which requires a level of expertise and knowledge of how private health insurance works. In addition, if a fund has policies that are overly complex or poorly designed, members have more difficulty in understanding what they're covered for and fund staff members have more difficulty in providing information about how benefits are paid. All of these factors can lead to higher levels of complaint from members about Oral Advice.

PHIO holds regular workshops for fund complaints handling staff and in 2012–13, this topic was an area of focus in these workshops.

An analysis of complaints to PHIO about Oral Advice suggests that providing broader advice to members about issues that are important for the member to understand, but which the member has not asked about, would greatly assist in reducing these types of complaints. A good example of this is when a member calls their fund because they are planning a hospital admission and asks the question, "Am I covered?"

In response to this question, the member needs to know not only whether their hospital charges will be covered, but also whether there might be gaps for medical and other services. Ideally, the member should also be advised about the fund's gap scheme and the recommendation to ask their doctor if they will use the gap scheme to reduce their out-of-pocket costs.

If the fund has a contract with the member's chosen hospital and the member has an appropriate level of cover, then their hospital admission should be fully covered, apart from their excess or co-payment. On the other hand, while the fund will pay its portion of the Medicare Benefits Schedule fee, the member may have a gap for the bills they receive from their treating doctors, depending on whether or not the doctors choose to use the fund's gap scheme. Members who call to ask "Am I covered" need to be given this information as well. If a member has called their fund to check whether their admission will be covered, they also want to know whether there are expenses they will need to pay themselves. This enables them to make an informed decision about the financial implications of their hospital admission.

Of course, doctors and other healthcare providers are responsible for obtaining Informed Financial Consent (IFC) from patients in relation to the services that they provide. It is important to remember, however, that people may assume their fund will cover these costs as well, so these expectations need to be managed. While fund staff cannot advise on what amount of gap a doctor might charge, they can advise members to ask their doctor(s) about possible out-of-pocket gaps and request the doctor to bill them under their fund's gap scheme. If a member has this information, they can make a more fully informed decision about their treatment and any financial costs to themselves.

In 2012–13, PHIO received 288 complaints about waiting periods. The majority of these were about the Pre-Existing Condition (PEC) Waiting Period, with 207 complaints specifically about this waiting period, compared with 207 (i.e. the same number) the previous year.

The PEC Waiting Period applies to new members joining a fund for the first time, for the first twelve months of their membership. It also applies to members transferring to policies with higher benefits, in relation to any increased benefits for the first twelve months of the membership.

The PEC rule is designed to protect the premium income of the fund's existing membership from the possibility of claims by new members who join the fund because they know or suspect they may need treatment. The rule is also designed to provide fairness to new members, by allowing them to claim for treatment in the first twelve months of membership if they develop a new condition, for which there were no signs or symptoms prior to them joining the fund.

PHIO's role in reviewing complaints about the application of the PEC rule is to ensure it has been correctly applied.

PHIO also investigates whether the fund and hospital have complied with the PEC *Best Practice Guidelines*, which are designed to ensure that members are informed about the PEC rule and any out-of-pocket costs they may incur if a claim is rejected on grounds that the treatment is for a PEC. Where a fund or hospital has not complied with the guidelines, PHIO staff members will negotiate a resolution with the fund or hospital that reduces the member's out-of-pocket costs for the admission.

It is understandable that some new members will be dissatisfied if they find they can't claim for treatment due to this waiting period and some level of complaint about this issue is therefore to be expected. Members will usually approach PHIO to seek an independent view of whether the rule has been correctly applied to their claim, or because they don't understand why their claim has been subject to the rule.

While some level of complaint about the rule is to be expected, there is still much that individual funds can do to reduce complaints about the PEC Waiting Period. This includes ensuring that accurate information about waiting periods is provided to new members when they join and when they contact the fund to enquire about a hospital admission in their first year of membership.

Funds can also reduce complaints about this issue by good oral and written communication to members about why an individual claim has been rejected. Those funds that have good processes in place to achieve this have lower levels of complaint about this issue.

## Consumer Information and Advice

Private health insurance continues to be a dynamic area of operation, with regular changes for consumers and industry to absorb.

The way that consumers interact and communicate with their fund is changing too, with members increasingly comfortable with using the internet to communicate with their fund, manage their membership, submit claims and choose their health insurance policy. There has also been an increase in the number of commercial, online comparison sites in the health insurance space, where consumers can compare and choose health insurance policies.

This means that PHIO's role as an independent source of reliable information and advice for consumers about private health insurance will continue to be important.

In support of this role, PHIO produces a range of Fact Sheets and brochures, and hosts a telephone and internet enquiry service. PHIO also maintains the [PrivateHealth.gov.au](http://PrivateHealth.gov.au) website, Australia's leading source of independent information for consumers about private health insurance. The website enables consumers to find standard information about the features of their own health insurance policy and compare it with other policies available for sale. Consumers can use the website to check their health insurance policy and ensure it covers the services they may need in future.

The website also contains independent and reliable information about how private health insurance works. These resources assist consumers to be better informed about their rights and responsibilities in relation to their private health insurance.

People can also seek advice from PHIO staff members via the website's enquiries line on 1300 737 299 and 'Ask a Question' feature. The office responded to 1480 consumer enquiries through the website in 2012–13. The most frequent questions were about Lifetime Health Cover, the Medicare Levy Surcharge, the Australian Government Private Health Insurance Rebate, waiting periods and assistance with using the website to compare policies.

There were 621,865 unique visits to the consumer website, [PrivateHealth.gov.au](http://PrivateHealth.gov.au), during 2012–13, an increase of 41% on the previous year. It is pleasing to see that visits to the website continue to increase each quarter, due to PHIO activities to promote the site, as well as the site becoming better known through internet searches.

PHIO intends to launch a social media channel associated with the [PrivateHealth.gov.au](http://PrivateHealth.gov.au) website that will allow consumers to ask about general health insurance issues. It will complement the website's 1300 enquiries number and 'Ask a Question' feature, by allowing consumers to interact with PHIO staff members via social media. This will be an important initiative for making PHIO's enquiries service more accessible to a broader range of consumers, particularly younger people who may prefer to interact via social media.

# Health Fund Listing and Contact Details

The following tables list all Australian registered health funds. The 'open' membership funds provide policies to the general public. The 'restricted' funds provide policies only through specific employment groups, professional associations or unions.

**Table 1A: Open Membership Health Funds**

Abbreviation	Full name or other names	Phone Number	Website
AU	Australian Unity Health Ltd	132 939	<a href="http://www.australianunity.com.au">www.australianunity.com.au</a>
BUPA	Bupa Australia Pty Ltd	134 135	<a href="http://www.bupa.com.au">www.bupa.com.au</a>
CDH	CDH Benefits Fund Ltd	02 4990 1385	<a href="http://www.cdhbf.com.au">www.cdhbf.com.au</a>
CUA Health	CUA Health Ltd	1300 499 260	<a href="http://www.cuahealth.com.au">www.cuahealth.com.au</a>
GMHBA	GMHBA Ltd, Frank, FIT, RACT	1300 446 422	<a href="http://www.gmhba.com.au">www.gmhba.com.au</a>
GU Corporate	Grand United Corporate Health	1800 249 966	<a href="http://www.guhealth.com.au">www.guhealth.com.au</a>
HBF	HBF Health Ltd	133 423	<a href="http://www.hbf.com.au">www.hbf.com.au</a>
HCF	Hospitals Contribution Fund of Australia	131 334	<a href="http://www.hcf.com.au">www.hcf.com.au</a>
HCI	Health Care Insurance Ltd	1800 804 950	<a href="http://www.hcilt.com.au">www.hcilt.com.au</a>
Health.com.au	Health.com.au	1300 199 802	<a href="http://www.health.com.au">www.health.com.au</a>
Healthguard	Central West Health Cover, GMF Health	133 206; 1300 653 099	<a href="http://www.centralwesthealth.com.au">www.centralwesthealth.com.au</a> <a href="http://www.gmfhealth.com.au">www.gmfhealth.com.au</a>
Health-Partners	Health Partners Ltd	1300 113 113	<a href="http://www.healthpartners.com.au">www.healthpartners.com.au</a>
HIF	Health Insurance Fund of Australia Ltd	1300 134 060	<a href="http://www.hif.com.au">www.hif.com.au</a>
Latrobe	Latrobe Health Services	1300 362 144	<a href="http://www.latrobehealth.com.au">www.latrobehealth.com.au</a>
MDHF	Mildura District Hospital Fund Ltd	03 5023 0269	<a href="http://www.mdhf.com.au">www.mdhf.com.au</a>
Medibank	Medibank Private Ltd, Australian Health Management	132 331; 134 246	<a href="http://www.medibank.com.au">www.medibank.com.au</a> ; <a href="http://www.ahm.com.au">www.ahm.com.au</a>
NIB	NIB Health Funds Ltd	131 463	<a href="http://www.nib.com.au">www.nib.com.au</a>
Onemedifund	National Health Benefits Fund Australia Pty Ltd	1800 148 626	<a href="http://www.onemedifund.com.au">www.onemedifund.com.au</a>
Peoplecare	Lysaght Peoplecare Limited	1800 808 690	<a href="http://www.peoplecare.com.au">www.peoplecare.com.au</a>
QCH	Queensland Country Health Fund Ltd	1800 813 415	<a href="http://www.qldcountryhealth.com.au">www.qldcountryhealth.com.au</a>
St Lukes	St. Lukes Health	1300 651 988	<a href="http://www.stlukes.com.au">www.stlukes.com.au</a>
Westfund	Westfund Health Insurance	1300 937 838	<a href="http://www.westfund.com.au">www.westfund.com.au</a>

**Table 1B: Restricted Membership Health Funds**

Abbreviation	Full name or other names	Phone Number	Website
ACA	ACA Health Benefits Fund	1300 368 390	<a href="http://www.acahealth.com.au">www.acahealth.com.au</a>
CBHS	CBHS Health Fund Ltd	1300 654 123	<a href="http://www.cbhs.com.au">www.cbhs.com.au</a>
Defence Health	Defence Health Ltd	1800 335 425	<a href="http://www.defencehealth.com.au">www.defencehealth.com.au</a>
Doctors' Health	The Doctors' Health Fund	1800 226 126	<a href="http://www.doctorshealthfund.com.au">www.doctorshealthfund.com.au</a>
Navy	Navy Health Ltd	1300 306 289	<a href="http://www.navyhealth.com.au">www.navyhealth.com.au</a>
Phoenix	Phoenix Health Fund	1800 028 817	<a href="http://www.phoenixhealthfund.com.au">www.phoenixhealthfund.com.au</a>
Police Health	Police Health	1800 603 603	<a href="http://www.policehealth.com.au">www.policehealth.com.au</a>
RT Health Fund	Railway and Transport Health Fund Ltd	1300 886 123	<a href="http://www.rthealthfund.com.au">www.rthealthfund.com.au</a>
Reserve Bank	Reserve Bank Health Society Ltd	1800 027 299	<a href="http://www.myrbhs.com.au">www.myrbhs.com.au</a>
Teachers Health	Teachers Health Fund	1300 728 188	<a href="http://www.teachershealth.com.au">www.teachershealth.com.au</a>
Transport	Transport Health Pty Ltd	1300 806 808	<a href="http://www.transporthealth.com.au">www.transporthealth.com.au</a>
TUH	Teachers' Union Health Fund	1300 360 701	<a href="http://www.tuh.com.au">www.tuh.com.au</a>

# Service Performance

*The level of complaints that the PHIO receives about a fund, relative to its market share, is a reasonable indicator of the service performance of most funds.*

*Whether a fund can attract new members and more importantly, retain members is also an indicator of member satisfaction.*

## Member Retention

The member retention indicator is used as one measure of the comparative effectiveness of health funds and their level of member satisfaction. This indicator measures what percentage of fund members (hospital memberships only) have remained with the fund for two years or more. Figures are not adjusted for policies that lapse when a member dies, as these are not reported to PHIAAC.

Most restricted membership funds rate well on this measure compared to open membership funds. This may be due to the particular features of restricted membership funds, especially their links with employment.

## Membership Change

The membership change indicator shows the change in the number of policy holders over the year from 30 June 2012 to 30 June 2013. Both the percentage change and number are included. Negative figures indicate that the fund has experienced a net reduction in membership over the period. As indicated above, member deaths would account for some of this figure.

## PHIO Complaints in Context

The number of complaints received by the PHIO is very small compared to fund membership.

There are a number of factors (other than service performance) that can influence the level of complaints the PHIO receives about a fund. These include the information provided to fund members about the PHIO through general publicity or by the fund and the effectiveness of the fund's own complaint handling.

## Complaints percentage compared to Market Share percentage

The first table includes all funds with a national market share of 0.5% or more.

In that table each fund's market share (as at 30 June 2013) is shown in the shaded column. Subsequent columns show the percentage of PHIO complaints in various categories that each fund accounts for. These percentages should be compared with the market share percentage.

If a fund has a higher complaints percentage than their market share, it indicates that members of that fund are more likely to complain than the average of all fund members.

The table also indicates what percentage of Benefit and Service complaints are received about each fund:

- ▶ **Benefit** complaints include problems of non-payment, delayed payment, the level of benefit paid or the level of gap needing to be paid by the member.
- ▶ **Service** complaints are about the general quality of service provided by fund staff, the quality of oral and written advice and premium payment problems.
- ▶ **All Complaints** takes account of all complaints received by PHIO about the fund. All Complaints includes Complaints Investigated as well as complaints that were finalised without the need for investigation.
- ▶ **Complaints Investigated** is a measure of how many complaints required a higher level of intervention from the Ombudsman. Most complaints to the Ombudsman can be finalised by referring the matter to fund staff to resolve, or by PHIO staff providing information to the complainant. Complaints which fund staff have not been able to resolve to a member's satisfaction are investigated by the Ombudsman's office — so the rating on complaints investigated is an indicator of the effectiveness of each fund's own internal complaints handling.

## Smaller Funds (less than 0.5% National Market Share)

For these smaller funds, it is not practical to show the percentage of complaints in each of the above categories because of the very small numbers of complaints.

This separate table therefore shows the actual number of all complaints received and the number of complaints investigated, as well as an indicator of whether the number is below the number expected based on the fund's market share.

While these funds have a very low national market share, many are nonetheless very significant in a particular state or region.

## Code of Conduct

A self-regulatory code for health funds was introduced in 2005. The Code deals with the quality of advice provided to consumers, and sets standards for training of health fund staff and others responsible for advising consumers about private health insurance. It also requires funds to have effective complaint handling procedures.

Funds that have completed the compliance processes for becoming a signatory to the code are indicated in the table (as at January 2014).

For more information about the Code of Conduct, please see: <http://www.privatehealth.com.au/codeofconduct/>

**Table 2a: Membership Retention and Complaints: Funds Over 0.5% Market Share**

### Open membership funds

Fund Name (Abbreviated)	Member Retention (hospital cover)	Membership Change <sup>1</sup> % (number)	Complaints % compared to Market Share %					Code of Conduct Member
			Market Share	Benefits	Service	All Complaints	Complaints Investigated	
AU	85.3%	3.5% (6,699)	3.2%	4.7%	4.4%	5.6%	6.2%	Yes
BUPA	88.1%	3.5% (54,757)	26.8%	23.2%	34.1%	26.3%	28.4%	Yes
GMHBA	83.9%	6.4% (6,862)	1.9%	1.8%	0.9%	1.8%	1.4%	Yes
HBF	91.1%	1.7% (7,778)	7.5%	2.6%	2.6%	2.6%	2.2%	Yes
HCF	87.8%	4.1% (25,905)	10.8%	9.5%	9.3%	11.3%	10.8%	Yes
Healthguard	84.4%	0.0% (15)	0.5%	0.2%	0.2%	0.3%	0.5%	Yes
Health-Partners	88.9%	1.1% (410)	0.6%	0.2%	0.2%	0.2%	0.0%	Yes
HIF	85.1%	7.0% (2,513)	0.6%	0.6%	0.9%	0.9%	0.5%	Yes
Latrobe	77.5%	-1.1% (-477)	0.7%	0.4%	0.9%	0.4%	0.8%	Yes
Medibank	83.6%	1.0% (18,571)	29.4%	36.0%	29.9%	33.0%	31.9%	Yes
NIB	85.8%	4.6% (20,617)	7.7%	10.1%	9.1%	8.8%	8.4%	Yes
Westfund	91.0%	0.2% (112)	0.7%	0.1%	0.0%	0.6%	1.4%	Yes

### Restricted membership funds

Fund Name (Abbreviated)	Member Retention (hospital cover)	Membership Change <sup>1</sup> % (number)	Complaints % compared to Market Share %					Code of Conduct Member
			Market Share	Benefits	Service	All Complaints	Complaints Investigated	
CBHS	93.4%	3.5% (2,718)	1.3%	1.1%	1.4%	1.0%	0.0%	Yes
Defence Health	91.8%	5.6% (5,398)	1.7%	1.4%	0.7%	0.9%	0.8%	Yes
Teachers Health	93.8%	6.2% (6,717)	1.9%	3.6%	1.6%	2.0%	0.5%	Yes

1. The industry experienced a growth of 3.1% or 181,691 memberships overall.

**Table 2b: Smaller Funds (less than 0.5% National Market Share)****Open membership funds**

Fund Name (Abbreviated)	Member Retention (hospital cover)	Membership Change <sup>1</sup> % (number)	Number Complaints Received	Below market share?	Number Complaints Investigated	Below market share?	Code of Conduct Member
CDH	89.5%	-0.1% (-4)	0	Yes	0	Yes	No
CUA Health	82.2%	7.4% (1,956)	12	Yes	3	No	Yes
GU Corporate	70.3%	4.5% (1,139)	15	No	4	No	Yes
HCI	94.0%	1.0% (41)	1	Yes	1	No	Yes
Health.com.au <sup>2</sup>	N/A	359.0% (12,407)	25	No	7	No	No
MDHF	90.2%	-0.5% (-65)	1	No	1	Yes	No
Onemedifund	99.6%	5.2% (267)	0	Yes	0	Yes	Yes
Peopcare	85.3%	7.3% (2,067)	7	Yes	0	Yes	Yes
QCH	88.2%	9.0% (1,430)	2	Yes	0	Yes	Yes
St. Luke's	89.0%	2.5% (560)	8	Yes	1	Yes	Yes

**Restricted membership funds**

Fund Name (Abbreviated)	Member Retention (hospital cover)	Membership Change <sup>1</sup> % (number)	Number Complaints Received	Below market share?	Number Complaints Investigated	Below market share?	Code of Conduct Member
ACA	93.9%	1.2% (54)	0	Yes	0	Yes	Yes
Doctors' Health	90.1%	11.2% (1,093)	9	No	1	No	Yes
Navy Health	91.2%	3.7% (557)	4	Yes	0	Yes	Yes
Phoenix	91.8%	0.4% (27)	0	Yes	0	Yes	Yes
Police Health	90.7%	4.0% (714)	8	Yes	0	Yes	Yes
RT Health Fund	87.3%	-1.6% (-369)	7	Yes	1	Yes	Yes
Reserve Bank	92.2%	1.2% (25)	3	No	1	No	Yes
Transport	84.1%	4.8% (210)	0	Yes	0	Yes	Yes
TUH	92.5%	4.8% (210)	8	Yes	3	No	Yes

1. The industry experienced a growth of 3.1% or 181,691 memberships overall.

2. This is a new fund so retention figures not yet available and % membership change is from a very low base.

# Hospital Cover

*This table provides a general comparison of health insurance for private hospital treatment. A higher percentage indicates that, on average, the fund's members are covered for a higher proportion of hospital charges.*

*It's important to remember most funds offer a choice of different policies — the percentages indicated in this table aren't indicative of any single policy, but are an average of all policies offered by the fund.*

## Hospital Cover

This table provides a general comparison of health insurance for private hospital treatment (hospital cover) provided by each fund.

Hospital cover provides benefits towards the following costs if you elect to be a private patient in a private or public hospital:

- ▶ hospital fees for accommodation, operating theatre charges and other charges raised by the hospital;
- ▶ the costs of drugs or prostheses required for hospital treatment; and
- ▶ fees charged by doctors (surgeons, anaesthetists, pathologists, etc) for in-hospital treatment.

Most funds offer a choice of different policies providing hospital cover. These policies may differ on the basis of the range of treatments that are covered, to what extent those treatments are covered, the level of excess or co-payments you may be required to pay if you go to hospital, and the price and discounts available to you.

## Hospital Charges Covered

This column indicates the proportion of total charges associated with treatment of private patients covered by each fund's benefits. This includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit), excesses or co-payments and associated benefits.

The figures shown are average outcomes across all of each fund's hospital policies. Higher cost policies will generally cover a greater proportion of charges than indicated by this average. Cheaper policies, including those with higher excesses or co-payments, may cover less.

The use of an average figure applying across all of each fund's policies will mean that funds with a high proportion of their membership in lower cost/reduced cover policies will have a lower average figure.

Information is not provided for some funds in some states, where there were insufficient numbers reported to PHIAC — generally this occurs in states where the fund does not have a large membership.

The information provided in this table presents the position taking account of all of each fund's policies. It is not indicative of any individual policy offered by the fund but is an average for the total fund membership.

## Additional Information

The separate Health Fund Operations by State or Territory tables in this Report include information on the number of 'agreement hospitals' under contract to each fund in each state.

For additional information on the medical gap cover provided through hospital covers refer to the separate Medical Gap Cover section.

The PHIO brochure 'Health Insurance Choice: Selecting a Health Insurance Policy' includes important advice on what to consider and what questions to ask when selecting a hospital cover policy. It also includes information on government incentives relating to hospital cover such as the 'Medicare Levy Surcharge Exemption' and 'Lifetime Health Cover'.

The brochure is available on [www.phio.gov.au](http://www.phio.gov.au) or by phoning 1800 640 695.

## PHIO Consumer Website

The [www.privatehealth.gov.au](http://www.privatehealth.gov.au) website provides information about all private health insurance policies available in Australia, including benefits, prices and agreement hospitals for each health fund.



**Table 3: Hospital Cover****Open membership funds**

Fund Name (Abbreviated)	% Hospital Related Charges Covered <sup>1</sup>							
	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
AU	76.2%	87.8%	91.9%	88.8%	93.2%	86.5%	89.6%	87.6%
BUPA	80.2%	87.0%	93.4%	89.3%	95.9%	87.7%	93.0%	87.2%
CDH	100.0%	96.7%	90.7%	92.8%	90.9%	75.0%	97.3%	N/A
CUA Health	75.2%	91.4%	93.3%	92.9%	96.2%	88.3%	98.1%	94.3%
GMHBA	73.5%	84.2%	92.4%	85.8%	92.4%	87.7%	89.6%	78.9%
GU Corporate	79.7%	84.0%	89.1%	84.4%	89.6%	85.1%	78.3%	90.6%
HBF	83.9%	89.0%	93.1%	90.6%	94.4%	94.4%	96.5%	92.1%
HCF	85.9%	92.4%	96.3%	94.8%	97.8%	92.8%	96.2%	90.9%
HCI	N/A	97.0%	94.3%	93.2%	92.8%	96.1%	95.4%	84.0%
Health.com.au	68.9%	81.3%	82.7%	84.0%	84.9%	84.3%	95.7%	75.2%
Healthguard	86.1%	91.8%	95.8%	94.5%	97.1%	93.3%	94.9%	92.4%
Health-Partners	82.8%	90.8%	94.0%	95.0%	96.6%	95.2%	95.7%	96.1%
HIF	68.5%	82.5%	91.4%	87.2%	80.4%	91.2%	94.7%	71.8%
Latrobe	79.1%	85.2%	92.8%	88.5%	89.7%	85.7%	89.2%	92.9%
MDHF	39.2%	92.3%	92.7%	79.1%	93.2%	82.6%	84.6%	86.4%
Medibank	82.1%	88.9%	94.0%	91.0%	94.3%	91.4%	93.4%	88.7%
NIB	72.8%	85.2%	82.7%	80.9%	86.2%	80.8%	88.0%	81.2%
Onemedifund	87.7%	89.8%	94.5%	92.0%	92.6%	91.3%	94.6%	N/A
Peoplcare	80.7%	89.0%	92.0%	88.9%	93.0%	84.8%	93.4%	90.6%
QCH	88.7%	93.2%	92.4%	89.3%	92.0%	86.1%	93.2%	94.6%
St. Luke's	90.2%	92.6%	94.3%	90.7%	96.5%	94.4%	95.0%	N/A
Westfund	88.2%	93.1%	95.3%	90.4%	93.3%	92.6%	98.0%	82.2%

**Restricted membership funds**

Fund Name (Abbreviated)	% Hospital Related Charges Covered <sup>1</sup>							
	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
ACA	82.7%	94.4%	99.0%	96.5%	97.3%	91.7%	93.2%	77.7%
CBHS	83.2%	90.0%	95.2%	92.7%	96.6%	92.6%	94.4%	93.7%
Defence Health	83.0%	90.8%	94.1%	91.9%	95.8%	91.4%	94.2%	90.4%
Doctors' Health	94.6%	94.2%	95.3%	94.5%	94.2%	91.3%	96.8%	90.2%
Navy Health	82.6%	91.5%	94.1%	91.5%	95.2%	92.0%	96.9%	84.6%
Phoenix	80.7%	89.0%	92.0%	88.9%	93.0%	84.8%	93.4%	90.6%
Police Health	88.3%	95.1%	96.8%	95.3%	98.5%	92.7%	97.2%	85.8%
RT Health Fund	89.2%	94.1%	94.6%	93.2%	92.9%	94.7%	94.4%	81.0%
Reserve Bank	90.3%	89.0%	96.5%	96.1%	98.8%	94.2%	99.3%	N/A
Teachers Health	83.8%	91.3%	94.0%	93.7%	96.0%	89.7%	95.0%	95.6%
Transport	100.0%	80.8%	95.3%	92.0%	100.0%	90.0%	N/A	73.5%
TUH	70.8%	93.4%	94.1%	92.3%	94.9%	85.2%	87.0%	95.4%

1. Includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit) and associated benefits (after any excesses and co-payments are deducted).

Note: 'N/A' signifies no activity in that state. 100% is likely to indicate small numbers (e.g. only 1 episode).

# Medical Gap Cover

*Medical gap schemes are designed to eliminate or reduce the out-of-pocket costs incurred by you for in-hospital medical services. If a service is 'no gap,' it means no cost was incurred by the patient as the full cost was covered by Medicare and the health fund. A reduced cost is incurred by the patient for a 'known gap' service.*

*If a health fund has a higher percentage of services covered at no gap than other funds, it indicates the fund has a more effective gap scheme in that state. The figures provided are averages — it is no guarantee that a particular doctor will choose to use the fund's gap scheme.*

## Fund Gap Schemes and Agreements

Doctors are free to decide whether or not to use a particular fund's gap cover arrangements for each individual patient. Factors that can affect the acceptance of the scheme by doctors include:

- ▶ whether the fund has a substantial share of the health insurance market in a particular state or region;
- ▶ the level of fund benefits paid under the gap arrangements (compared with the doctor's desired fee); and
- ▶ the design of the fund's gap cover arrangements, including any administrative burden for the doctor.

## State Based Differences

Information is provided on a state basis because the effectiveness of some funds' gap schemes can differ between states and these differences are not apparent in the national figures.

Most differences are due to the level of doctor's fees, which vary significantly between different states, and between regional areas and capital cities. In some states, funds are able to provide more effective coverage of gaps because doctors charge less than the national average. In addition, where a doctor's fee for an in-hospital service is at or below the Medicare Benefits Schedule fee, there will be no gap to the fund member.

If a health fund's percentage of services with no gap is higher than that of a fund in another state, it does not necessarily mean the fund's scheme is more effective, because state based differences could be the cause.

Information is not provided for some funds in some states, as the numbers are not reported to PHIAC for states in which the fund does not have a large enough membership (in which case, these figures are included with figures for the state in which a fund has the largest number of members).

## Comparing Different Gap Schemes

If a health fund has a higher percentage of services covered at no gap (in the same state/territory) compared with another fund, it is an indicator of a more effective gap scheme in that state. Over the whole fund, it is more likely that a medical service can be provided at no cost to the consumer, but it is no guarantee that a particular doctor will choose to use the fund's gap scheme.

It is worth noting that gap schemes are funded by membership premiums, and any increases in coverage of medical gaps may place pressure on premiums for all members of that health fund.

**Percentage of Services With No Gaps:** The proportion of services for which a gap is not payable by the patient after the impact of fund benefits, schemes and agreements.

**Percentage of Services with No Gap or Where Known Gap Payment Made:** This table includes both the percentage of no gap services and what is called 'known gap' services. Known gap schemes are an arrangement where the fund pays an additional benefit on the understanding that the provider advises the patient of costs upfront.

These tables take into account all of the fund's policies. The information in the tables is not indicative of any individual policy offered by the fund but is an average for the total fund membership.

## 'Access Gap' Participants

The Access Gap scheme is the gap cover scheme operated by the Australian Health Services Alliance (AHTSA) for its member funds. Because the scheme operates in the same way for all of these participant funds, the effectiveness measures are reported for the Access Gap arrangements as a whole. The measures also take into account any Medical Purchaser Provider Agreements (contracts with diagnostic services providers) established by the AHTSA for participant funds.

## Access Gap Participants

ACA	AU	CBHS
CUA Health	Defence Health	Doctors Health
GU Corporate	HCI	Health.com.au
Healthguard	Health Partners	HIF
Navy	Onemedifund	Peoplecare
Phoenix	Police Health	QCH
Reserve Bank	RT Health Fund	Teachers Fed
Transport	TUH	Westfund

**Table 4A : Medical Services With No Gap**

Fund or Gap scheme	% of Services with No Gap							
	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
BUPA	75.6%	82.8%	89.1%	84.5%	92.4%	79.6%	90.1%	76.2%
CDH	N/A	89.8%	67.6%	61.5%	54.4%	31.6%	71.4%	N/A
GMHBA	46.9%	70.0%	84.5%	70.7%	66.8%	59.9%	67.2%	56.3%
HBF	73.5%	63.9%	61.9%	61.2%	70.2%	82.0%	83.1%	71.3%
HCF	83.5%	92.9%	97.6%	96.2%	99.6%	93.5%	98.3%	95.4%
Latrobe	41.0%	74.1%	84.8%	71.6%	79.3%	52.8%	85.8%	89.2%
MDHF	N/A	79.6%	78.5%	45.7%	76.8%	24.2%	36.4%	84.6%
Medibank	80.6%	89.4%	93.8%	91.1%	94.7%	81.6%	88.1%	84.2%
NIB	61.0%	84.2%	76.8%	74.1%	84.1%	64.5%	82.4%	73.8%
St Lukes	64.0%	83.4%	80.2%	70.5%	87.9%	77.3%	89.1%	N/A
Access Gap Participants <sup>1</sup>	78.9%	90.5%	94.2%	90.5%	96.0%	82.3%	91.1%	87.8%
Total / Industry outcome	77.8%	88.0%	91.5%	88.2%	93.6%	81.6%	89.3%	81.5%

**Table 4B: Medical Services with No Gap or Where Known Gap Payment Made**

Fund or Gap scheme	% of Services with No Gap or Where Known Gap Payment Made							
	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
BUPA	77.3%	84.2%	91.0%	85.8%	94.2%	82.3%	91.8%	78.5%
CDH	N/A	98.2%	94.4%	91.0%	90.5%	89.5%	92.9%	N/A
GMHBA	58.8%	80.8%	92.8%	80.5%	82.8%	74.8%	85.0%	75.9%
HBF	91.8%	87.4%	85.1%	85.6%	86.6%	99.4%	96.4%	97.6%
HCF	83.5%	92.9%	97.6%	96.2%	99.6%	93.5%	98.3%	95.4%
Latrobe	88.4%	95.0%	98.1%	94.9%	95.5%	89.6%	98.3%	95.6%
MDHF	88.9%	95.1%	94.9%	70.2%	88.7%	62.3%	81.8%	84.6%
Medibank	88.0%	92.9%	97.8%	95.1%	98.7%	87.9%	98.4%	94.0%
NIB	61.0%	84.2%	76.8%	74.1%	84.1%	64.5%	82.4%	73.8%
St Lukes	69.0%	86.0%	85.6%	75.0%	90.9%	84.2%	97.6%	N/A
Access Gap Participants <sup>1</sup>	87.8%	94.6%	97.7%	94.8%	98.8%	90.8%	97.5%	93.5%
Total / Industry outcome	82.2%	89.8%	92.2%	90.9%	96.0%	94.7%	95.4%	87.8%

1. Access Gap Participants are listed above.

# General Treatment (Extras) Cover

General Treatment cover provides benefits towards a range of out-of-hospital health services. The most commonly covered services are dental, optical, physiotherapy and non-Pharmaceutical Benefits Scheme prescription medicines.

The first table shows the average proportion of service charges covered by each fund for all their policies and services. The second table shows the information according to the service being covered. Generally, higher-cost policies cover a higher proportion of charges.

## General Treatment

General Treatment cover, also known as 'Ancillary' or 'Extras'<sup>1</sup>, provides benefits towards a range of health related services not provided by a doctor, including:

- ▶ Dental fees and charges;
- ▶ Optometry: costs of glasses and lenses;
- ▶ Physiotherapy, Chiropractic services and other therapies including natural and complementary therapies;
- ▶ Prescribed medicines not covered by the Pharmaceutical Benefits Scheme.

## Percentage of Charges Covered, All Services, By State

This column indicates what proportion of total charges, associated with general treatment services, is covered by each fund's benefits. This averages outcomes across all of each fund's general treatment policies and services. Higher cost policies will generally cover a greater proportion of charges than indicated by this average, while cheaper policies may cover less.

## Average Costs Covered for each Service Type

This additional table provides information on the proportion of the total charge for each service type covered by each fund on average, across all of the fund's general treatment policies.

This is intended to provide a broad comparative indicator of fund general treatment benefits to allow comparisons between funds and should not be regarded as an indicator of how much of a bill for any particular service will be covered.

In general this will understate the proportion of a general treatment bill that will be covered for the most common (lower cost services) and will overstate the proportion of the costs covered for some higher cost services.

## Ambulance

Some funds do not provide ambulance cover through any of their general treatment policies but offer this as a component of hospital cover. These funds show as 'na' under the ambulance column. Most ambulance services in Queensland and Tasmania are provided free to residents of those states.

## Preferred Providers

Many funds establish 'preferred provider' or 'participating provider' arrangements with some suppliers of general treatment services. Those providers offer an agreed charge for fund members, resulting in lower out of pocket costs for members after fund benefits are taken into account. It is usually worth checking with your fund to see if a suitable preferred provider is available.

## Fund Dental and Eyecare Centres

In some states, some funds operate their own dental and optical centres. These are usually only located in capital cities or major population centres.

Consumers who choose to use a fund's own dental or optical centres will normally get services at a much lower out of pocket cost.

## Additional Information

The PHIO brochure 'Health Insurance Choice: Selecting a Health Insurance Policy' includes important advice on what to consider and what questions to ask when selecting a general treatment policy. The brochure is available on [www.phio.gov.au](http://www.phio.gov.au) or by phoning 1800 640 695.

PHIO's consumer website [www.privatehealth.gov.au](http://www.privatehealth.gov.au) website provides information about all private health insurance policies available in Australia, including benefits, prices and which hospitals a health fund has agreements with.

1. Also known as 'Essentials' cover in Western Australia.

**Table 5A: General Treatment (Extras) Cover****Open membership funds**

Fund name (Abbreviated)	% General Treatment (extras) Charges Covered							
	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
AU	44.6%	48.5%	51.8%	52.0%	53.5%	49.2%	48.4%	48.9%
BUPA	44.3%	49.5%	48.9%	51.4%	53.0%	54.8%	50.2%	49.6%
CDH	42.7%	39.9%	40.8%	45.4%	50.1%	43.2%	41.9%	N/A
CUA	47.8%	54.9%	53.0%	52.0%	54.8%	55.5%	44.4%	50.8%
GMHBA	48.6%	52.1%	48.7%	52.0%	54.3%	52.3%	49.0%	47.2%
GU Corporate	70.5%	70.2%	74.0%	72.7%	73.5%	76.3%	69.9%	77.1%
HBF	37.4%	39.8%	42.5%	40.8%	43.5%	52.2%	43.2%	43.7%
HCF	45.4%	50.3%	54.0%	55.1%	57.7%	49.3%	47.1%	46.2%
HCI	47.7%	47.7%	51.4%	47.1%	55.8%	45.6%	47.8%	43.7%
Health.com.au	59.6%	60.1%	61.6%	61.0%	61.6%	64.4%	62.3%	63.6%
Healthguard	45.1%	49.6%	51.7%	50.5%	53.2%	49.3%	49.0%	39.8%
Health-Partners	43.6%	43.4%	44.4%	44.5%	59.9%	43.6%	45.8%	47.7%
HIF	42.7%	47.6%	47.3%	48.0%	47.6%	47.3%	41.6%	35.8%
Latrobe	31.1%	39.7%	37.2%	35.9%	37.8%	39.0%	34.0%	34.6%
MDHF	52.3%	51.4%	51.8%	49.4%	50.7%	48.8%	54.5%	43.7%
Medibank	44.5%	51.9%	51.5%	53.0%	56.4%	53.4%	51.2%	53.8%
NIB	53.5%	53.9%	61.4%	56.9%	60.9%	61.1%	56.4%	57.0%
Onemedifund	41.2%	46.3%	49.9%	47.8%	50.2%	48.0%	47.5%	N/A
Peoplcare	46.1%	54.1%	52.7%	50.6%	53.1%	46.7%	51.6%	51.2%
QCH	45.3%	51.2%	55.6%	52.9%	55.7%	51.6%	49.2%	39.7%
St. Luke's	42.6%	59.2%	52.4%	51.1%	64.8%	50.0%	52.5%	57.2%
Westfund	41.5%	48.1%	40.0%	42.9%	47.1%	41.3%	37.8%	45.5%

**Restricted membership funds**

Fund name (Abbreviated)	% General Treatment (extras) Charges Covered							
	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
ACA	52.9%	61.7%	60.8%	61.7%	66.5%	60.1%	60.3%	63.6%
CBHS	46.5%	50.7%	53.2%	53.0%	53.9%	52.1%	51.8%	49.2%
Defence Health	42.0%	46.3%	49.8%	48.5%	52.0%	46.9%	46.1%	46.2%
Doctors' Health	52.4%	49.6%	51.5%	55.0%	58.8%	53.8%	54.1%	43.2%
Navy Health	43.7%	47.9%	53.2%	51.3%	54.4%	47.8%	51.6%	51.0%
Phoenix	52.9%	55.5%	54.4%	55.9%	56.7%	56.6%	55.1%	52.9%
Police Health	63.2%	67.6%	66.4%	69.5%	74.0%	68.6%	68.8%	68.4%
RT Health Fund	40.4%	52.3%	50.8%	51.7%	56.8%	48.4%	51.3%	49.7%
Reserve Bank	72.6%	75.6%	78.9%	80.1%	81.9%	79.5%	74.6%	80.6%
Teachers Health	46.8%	52.5%	53.3%	45.1%	55.0%	52.5%	51.6%	46.4%
Transport	52.6%	50.6%	61.8%	51.2%	57.4%	46.3%	59.9%	46.3%
TUH	45.1%	49.8%	49.2%	56.5%	47.6%	52.9%	47.5%	46.2%

Note: 'N/A' indicates no data was available.

**Table 5B: Average Amount of Costs Covered by Service**  
**Open membership funds**

Fund	Dental <sup>1</sup>	Optical <sup>1</sup>	Physiotherapy	Chiropractic	Pharmacy	Podiatry	Natural Therapies	Ambulance	Acupuncture	Psych/Group Therapy	Preventative Health	Hearing Aids & Audiology	Occupational Therapy
AU	48%	67%	64%	49%	41%	52%	47%	N/A	43%	35%	67%	17%	53%
BUIPA	52%	53%	53%	56%	38%	50%	38%	100%	45%	43%	26%	21%	40%
CDH	44%	32%	59%	48%	47%	39%	33%	100%	54%	24%	46%	N/A	27%
CJA Health	57%	57%	47%	49%	20%	49%	39%	100%	41%	42%	53%	47%	46%
GMHBA	49%	59%	43%	48%	39%	50%	40%	88%	41%	38%	28%	20%	41%
GU Corporate	75%	66%	81%	76%	34%	77%	78%	N/A	76%	75%	69%	19%	87%
HBF	55%	44%	45%	43%	44%	49%	38%	100%	N/A	40%	72%	28%	51%
HCF	55%	54%	46%	46%	40%	45%	36%	100%	37%	49%	53%	35%	49%
HCI	49%	46%	47%	56%	50%	54%	48%	100%	45%	39%	66%	49%	56%
Health.com.au	61%	50%	68%	68%	38%	65%	67%	100%	66%	60%	N/A	N/A	60%
Healthguard	46%	68%	43%	39%	35%	57%	30%	99%	36%	31%	N/A	18%	43%
Health-Partners	64%	55%	57%	45%	44%	42%	29%	100%	35%	40%	N/A	30%	41%
HIF —	49%	46%	44%	42%	44%	42%	26%	99%	26%	38%	25%	29%	44%
Latrobe	31%	53%	39%	42%	24%	41%	30%	86%	45%	37%	27%	14%	43%
MDHF	54%	48%	51%	51%	N/A	45%	41%	83%	38%	23%	N/A	21%	46%
Medibank	51%	61%	48%	51%	33%	53%	54%	100%	53%	38%	85%	25%	39%
NIB	56%	56%	60%	58%	37%	60%	55%	100%	55%	53%	49%	18%	55%
Onemedifund	49%	52%	47%	45%	43%	46%	38%	99%	35%	32%	71%	29%	47%
Peoplecare	51%	63%	50%	51%	41%	48%	46%	100%	50%	43%	72%	38%	47%
QCH	50%	56%	50%	67%	37%	67%	42%	N/A	52%	50%	63%	44%	40%
St. Luke's	53%	61%	50%	57%	42%	50%	45%	87%	42%	44%	50%	47%	53%
Westfund	47%	45%	40%	54%	43%	42%	42%	100%	39%	35%	N/A	34%	66%

1. For some funds, the data does not take account of discounts at some providers or fund Dental/Optical centres.  
Note All percentages based on health fund reporting to PHIAc..

**Table 5B: Average Amount of Costs Covered by Service (continued)**  
**Restricted membership funds**

Fund	Dental <sup>1</sup>	Optical <sup>1</sup>	Physiotherapy	Chiropractic	Pharmacy	Podiatry	Natural Therapies	Ambulance	Acupuncture	Psych/Group Therapy	Preventative Health	Hearing Aids & Audiology	Occupational Therapy
ACA	64%	72%	51%	58%	50%	71%	42%	100%	42%	33%	N/A	45%	60%
CBHS	50%	54%	59%	65%	50%	51%	47%	52%	49%	46%	31%	36%	42%
Defence Health	47%	46%	51%	54%	46%	52%	41%	100%	39%	39%	46%	29%	39%
Doctors' Health	53%	59%	45%	N/A	44%	53%	N/A	N/A	N/A	54%	N/A	23%	34%
Navy Health	47%	46%	57%	64%	50%	56%	47%	98%	N/A	38%	100%	26%	45%
Phoenix	60%	59%	55%	57%	44%	59%	33%	99%	43%	48%	61%	40%	55%
Police Health	70%	71%	76%	77%	43%	68%	44%	100%	73%	76%	N/A	25%	66%
RT Health Fund	48%	60%	62%	64%	45%	58%	43%	100%	65%	27%	50%	35%	38%
Reserve Bank	78%	76%	77%	79%	57%	79%	81%	100%	80%	79%	37%	66%	80%
Teachers Health	54%	50%	53%	66%	42%	63%	50%	100%	50%	47%	42%	38%	57%
Transport	67%	57%	53%	65%	40%	61%	44%	100%	47%	36%	62%	28%	42%
TUH	59%	53%	49%	58%	39%	65%	50%	100%	49%	47%	53%	39%	45%

1. For some funds, the data does not take account of discounts at some providers or fund Dental/Optical centres.

Note: All percentages based on health fund reporting to PHIA.

# Finances and Costs

All health funds are required to meet financial management standards to ensure their members' contributions are protected. Generally, funds aim to set premium levels so their income from contributions covers the expected cost of benefits plus the fund's administration costs.

The percentage of contribution income which goes towards administration and management expenses is a key measure of fund efficiency.

## The Regulation of Health Fund Finances

The financial performance of health funds is closely regulated to ensure that funds remain financially viable and that contributors' funds are protected.

The *Private Health Insurance Act 2007* (the Act) specifies solvency and capital adequacy standards for funds to meet and outlines financial management and reporting requirements for all funds. The Act also establishes the Private Health Insurance Administration Council (PHIAC) — an independent organisation with responsibility for monitoring the financial performance of the funds and ensuring that they meet prudential requirements.

PHIAC produces an annual publication providing financial and operational statistics for the funds for each financial year.<sup>1</sup> Information included in the Financial Performance table is drawn from data collected by PHIAC for that purpose.

## Premium Increases

Under the Act, health funds require the approval of the Minister for Health before they can raise their premiums. This ensures there is rigorous scrutiny of all premium increase applications each year.

The Minister assesses premium applications to ensure proposed increases are kept to the minimum necessary. This takes into consideration fund solvency requirements, forecast benefit payments and prudential requirements, while also ensuring the affordability and value of private health insurance as a product.

## Benefits as a percentage of contributions

This column shows the percentage of total contributions, received by the fund, returned to contributors in benefits. Funds will generally aim to set premium levels so that contribution income covers the expected costs of benefits plus the fund's administration costs.

A very high percentage of contributions returned as benefits may not necessarily be a positive factor for consumers, particularly if it means that the fund is making a loss on its health insurance business. This indicator should therefore be considered in conjunction with other factors, such as the Surplus (–Loss) and Management Expenses ratings.

## Management Expenses

Management expenses are the costs of administering the fund. They include items such as rent, staff salaries, and marketing costs.

### As a percentage of Contribution Income

This figure is regarded as a key measure of fund efficiency. In this table management expenses are shown as a proportion of total fund contributions.

### Per Average Policy

A comparison of the relative amount each fund spends on administration costs is also demonstrated through provision of information on the level of management expenses per membership by each fund.

On average, restricted membership funds have lower management expenses as a proportion of benefits paid than open membership funds. This is partially due to lower expenditure on marketing. However, unusually low management expenses by some restricted membership funds can also be the result of those funds receiving free or subsidised administrative services from the organisations with which they are associated.

1. The *Operations of the Private Health Insurers* report is available on the PHIAC website: [www.phiac.gov.au](http://www.phiac.gov.au).



**Table 6: Finances and Costs****Open membership funds**

Fund name (Abbreviated)	Benefits as % Contributions	Management Expenses		Surplus (–Loss) from health insurance	Overall Profit (–Loss) as % total revenue	Not for Profit Fund
		as % of Contribution Income	Per Average Policy			
AU	84.6%	10.6%	\$307	4.8%	5.2%	No
BUPA	84.9%	8.5%	\$262	6.6%	5.8%	No
CDH	89.3%	10.4%	\$341	0.4%	4.6%	Yes
CUA Health	85.0%	10.3%	\$346	4.7%	7.2%	Yes
GMHBA	88.1%	9.8%	\$280	2.0%	5.6%	Yes
GU Corporate	78.2%	16.6%	\$758	5.2%	7.6%	No
HBF	83.8%	9.9%	\$255	6.3%	13.1%	Yes
HCF	91.6%	7.1%	\$224	1.3%	4.7%	Yes
HCI	86.1%	13.7%	\$469	0.2%	5.4%	Yes
Health.com.au	85.3%	10.8%	\$281	4.0%	4.5%	No
Healthguard	85.1%	10.6%	\$344	4.3%	11.0%	Yes
Health-Partners	87.3%	9.5%	\$296	3.2%	10.2%	Yes
HIF	84.5%	11.8%	\$297	3.7%	9.5%	Yes
Latrobe	90.1%	9.4%	\$273	0.5%	5.4%	Yes
MDHF	90.7%	7.7%	\$170	1.6%	11.9%	Yes
Medibank	87.2%	9.2%	\$270	3.6%	4.7%	No
NIB	86.8%	8.2%	\$211	5.0%	5.2%	No
Onemedifund	75.1%	8.8%	\$366	16.1%	12.7%	No
Peoplecare	88.6%	8.0%	\$268	3.4%	6.6%	Yes
QCH	85.9%	11.4%	\$453	2.8%	8.2%	Yes
St. Luke's	84.8%	11.0%	\$365	4.2%	9.9%	Yes
Westfund	85.1%	11.5%	\$335	3.4%	7.4%	Yes

**Restricted membership funds**

Fund name (Abbreviated)	Benefits as % Contributions	Management Expenses		Surplus (–Loss) from health insurance	Overall Profit (–Loss) as % total revenue	Not for Profit Fund
		as % of Contribution Income	Per Average Policy			
ACA	86.9%	9.0%	\$382	4.1%	8.0%	Yes
CBHS	92.8%	6.9%	\$237	0.3%	5.1%	Yes
Defence Health	93.3%	5.4%	\$166	1.2%	7.5%	Yes
Doctors' Health	82.1%	11.5%	\$475	6.4%	9.5%	No
Navy Health	88.2%	9.9%	\$329	2.0%	10.3%	Yes
Phoenix	91.8%	9.5%	\$361	–1.3%	2.2%	Yes
Police Health	85.3%	6.3%	\$289	8.4%	10.7%	Yes
RT Health Fund	81.2%	13.1%	\$520	5.7%	8.2%	Yes
Reserve Bank	80.5%	13.1%	\$650	6.4%	10.3%	Yes
Teachers Health	93.4%	7.0%	\$249	–0.4%	2.9%	Yes
Transport	85.7%	9.0%	\$299	5.3%	9.1%	Yes
TUH	90.5%	8.1%	\$334	1.4%	6.7%	Yes

## Surplus (–Loss) from health insurance

The surplus or loss (indicated as a negative figure) made by the fund in 2012–2013 from their health insurance business is expressed as a percentage of the fund's contribution income. This does not take account of additional income that the fund may derive from investment or other non-health insurance activities.

All health funds maintain a sufficient level of reserves to cover losses from year to year. However funds with high or continuing losses might be expected to have to increase premiums by a relatively higher amount than other funds.

## Overall Profit (–Loss) as a percentage of total revenue

The overall profit or loss (indicated as a negative figure) takes account of additional income made by the fund, mainly through investment. This is shown as a percentage of all revenue received by the fund to allow a comparison of performance between funds of differing sizes. Overall profit takes into account tax that is paid for a small amount of funds.

## Not for Profit Fund

If a health fund is listed 'not-for-profit', this means it is a mutual organisation, with the premiums paid into the fund used to operate the business and cover benefits for members.

'For-profit' funds aim to return a profit to their owners (which may be another health fund or corporation) or shareholders. They are still required to maintain sufficient funds to operate the company and pay benefits to their members.

# Health Fund Operations by State or Territory

*Only funds with a significant market share in a state or territory are listed in these tables. Every fund will still have agreements with hospitals throughout Australia even if they don't have a local branch network or a significant proportion of policy holders in each state.*

## Health Fund Operations by State or Territory

Some funds have little presence in most states but may have a large market share in one state or territory. Some funds use different brand names or offer different policies in different states and territories. These separate tables for each state/territory are therefore provided to give an indication of the extent and importance of each fund's business in each area. Only those funds with a significant operation in the state or territory are listed in the relevant table.

Most fund websites allow members to view fund information, join or change their policy and submit claims. Links to all health fund websites are available at [www.privatehealth.gov.au](http://www.privatehealth.gov.au).

## Percentage Market Share

This column indicates how much of the total health insurance business within each state or territory each fund accounts for. It is an indicator of the size and significance of each fund within each state.

Funds with a significant market share in the relevant state or territory can normally be expected to have more extensive networks of branch offices, agencies, agreement hospitals and preferred ancillary providers in those states/territories. They are also more likely to obtain the participation of doctors in their gap cover arrangements. However, funds participating in the Australian Health Services Alliance (AHSA) will generally have access to a wide range of agreement hospitals in all states. The Access Gap scheme operated by the AHSA also has a high level of acceptance from doctors in all states.

## Percentage of Fund's Membership in State

This column indicates how much of each fund's health insurance membership is within each state. It is an indicator how significant that state is to each fund's health insurance business.

In general, funds can be expected to design their policies (benefits, conditions, contracts, etc) to suit the arrangements applying in the states in which they do a significant proportion of business. However, some nationally based funds tailor their policies and prices to take account of different state arrangements.

Health fund costs differ from state to state, which accounts for the variation in premiums across states.

## Agreement Hospitals<sup>1</sup>

All health funds establish agreements with some or all private hospitals and day hospitals for the treatment of their members. These agreements generally provide for the fund to meet all of the private hospital's charges for treatment of the fund's members. The member would then not be required to pay any amount to the hospital, other than any agreed excess or co-payment and any incidental charges that may apply for certain extra services (e.g. television rental or internet).<sup>2</sup>

Where a fund has a comparatively low number of agreements with private hospitals or private day hospitals, this is an indicator that consumer choice (as to where to be treated) may be more limited. Treatment at a non-agreement hospital will mean a significantly higher out of pocket cost for the patient.

While funds do not have agreements with particular public hospitals, all funds will fully cover hospital costs for treatment as a private patient in a public hospital unless the particular treatment is excluded under the individual's policy, or there is an extra charge for a private room or similar extra costs.

1. According to [www.privatehealth.gov.au](http://www.privatehealth.gov.au), 5 February 2014.

2. These agreements do not apply to fees charged by private doctors for in-hospital treatment; these medical fees may be covered by a fund's medical gap scheme arrangements.

## Fund Outlets — Retail Offices and Agencies

Retail offices are full-service offices operated by health funds with staff employed by the fund. At retail offices, fund members (or prospective members) should expect to be able to:

- ▶ receive advice about the range of policies and services provided by the fund;
- ▶ obtain a quote for any of the fund's policies;
- ▶ obtain and lodge an application to join any of the fund's policies;
- ▶ obtain a 'cover note' if necessary;

- ▶ make a personal inquiry about their membership (contributions, payment arrangements, benefits); and
- ▶ make a claim for any ancillary benefits payable on a 'refund' basis and have that claim processed and/or paid.

Agencies are generally limited service outlets operated by the fund or under arrangements with pharmacies, credit unions, etc. At these agency outlets, members can obtain brochure material and make some transactions but generally can't have a personal inquiry about their membership finalised or have claims processed on the spot.

The table indicates whether the fund operates retail offices and/or agencies in the state or territory.

**Table 7A: New South Wales**

### Open membership funds

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
AU	1.7%	17.5%	89	80	Yes	
BUPA	24.3%	29.6%	80	78	Yes	
CDH	0.1%	88.8%	74	51	Yes	
GMHBA	0.5%	8.5%	87	84		
GU Corporate	0.6%	41.7%	87	84		
HCF	21.3%	64.1%	81	85	Yes	
Health.com.au	0.3%	35.1%	83	81		
Healthguard	0.2%	12.8%	90	82		Yes
MDHF	0.1%	10.6%	74	51		Yes
Medibank	25.2%	27.9%	78	69	Yes	Yes
NIB	14.6%	60.8%	84	77	Yes	
Onemedifund	0.1%	40.1%	87	84		
Peoplecare	0.7%	46.8%	87	84	Yes	
Westfund	1.4%	62.0%	88	84	Yes	

### Restricted membership funds

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
ACA	0.1%	59.1%	78	72	Yes	
CBHS	1.7%	43.7%	78	72		
Defence Health	0.9%	17.5%	90	81		Yes
Doctors' Health	0.2%	38.6%	78	72	Yes	
Navy Health	0.3%	31.3%	82	81		
Phoenix	0.2%	51.0%	78	72	Yes	
RT Health Fund	0.6%	52.6%	82	82	Yes	
Reserve Bank	0.1%	60.1%	87	84	Yes	
Teachers Health	4.3%	73.6%	78	72	Yes	

Hospital data sourced from Privatehealth.gov.au, at 5 February 2014.

**Table 7B: Victoria****Open membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
AU	8.7%	63.7%	75	67	Yes	
BUPA	24.9%	21.7%	69	60	Yes	Yes
GMHBA	5.6%	69.9%	75	70	Yes	Yes
GU Corporate	0.4%	19.0%	74	72		
HCF	6.9%	14.8%	67	49	Yes	
Health.com.au	0.4%	29.8%	71	65		
Healthguard	0.7%	30.8%	75	67		
Latrobe	2.6%	89.7%	72	63	Yes	Yes
MDHF	0.9%	85.7%	72	63	Yes	Yes
Medibank	36.0%	28.6%	70	50	Yes	Yes
NIB	5.9%	17.7%	67	50	Yes	
Peoplecare	0.6%	30.5%	75	70	Yes	
St Luke's	0.1%	4.4%	72	63		

**Restricted membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
CBHS	1.5%	25.9%	72	52		
Defence Health	2.1%	30.0%	76	67	Yes	Yes
Doctors' Health	0.3%	32.6%	73	52		
Navy Health	0.3%	25.2%	73	63	Yes	
Phoenix	0.1%	14.1%	72	52		
RT Health Fund	0.2%	9.8%	74	65		
Teachers Health	1.0%	12.8%	72	52	Yes	
Transport	0.3%	87.7%	72	52	Yes	

**Table 7C: Queensland****Open membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
AU	2.0%	11.2%	49	42	Yes	
BUPA	34.1%	22.9%	49	34	Yes	Yes
CUA Health	1.8%	70.5%	49	42		Yes
GMHBA	1.0%	10.0%	49	42		
GU Corporate	0.4%	14.9%	50	42		
HCF	7.0%	11.7%	50	35	Yes	
Health.com.au	0.4%	21.1%	45	40		
Healthguard	0.2%	5.8%	49	42		
Latrobe	0.1%	3.0%	46	28		
Medibank	35.9%	22.0%	48	36	Yes	Yes
NIB	5.1%	11.7%	45	37	Yes	
Onemedifund	0.1%	13.0%	49	43		
Peoplecare	0.3%	12.0%	49	43		
QCH	1.5%	96.2%	54	49	Yes	Yes
Westfund	1.4%	35.0%	48	41	Yes	

**Restricted membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
ACA	0.1%	18.3%	47	38		
CBHS	1.2%	15.8%	47	36		
Defence Health	2.7%	28.9%	49	42		Yes
Doctors' Health	0.2%	21.1%	47	36		
Navy Health	0.3%	17.3%	47	42		
Phoenix	0.1%	13.8%	47	36		
Police Health	0.6%	35.8%	48	41		
RT Health Fund	0.7%	34.4%	49	42	Yes	
Teachers Health	0.3%	2.4%	47	36		
TUH	2.3%	96.8%	47	36	Yes	

**Table 7D: Western Australia****Open membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
AU	0.6%	2.3%	18	21		
BUPA	9.3%	4.6%	18	16	Yes	
GMHBA	1.1%	8.2%	18	21	Yes	Yes
GU Corporate	0.6%	19.9%	21	18		
HBF	55.4%	97.9%	21	17	Yes	Yes
HCF	1.9%	2.4%	11	6		
Healthguard	1.8%	47.9%	18	21	Yes	Yes
HIF	4.1%	87.0%	17	20	Yes	Yes
Medibank	20.8%	9.4%	19	13	Yes	Yes
NIB	1.9%	3.2%	18	13		
Peoplcare	0.1%	3.6%	16	13		

**Restricted membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
CBHS	0.6%	6.3%	16	11		
Defence Health	0.6%	4.6%	18	21		Yes
Navy Health	0.2%	8.8%	17	19		
Police Health	0.3%	13.3%	17	21		
Teachers Health	0.3%	2.5%	16	11		

**Table 7E: South Australia****Open membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
AU	1.5%	3.7%	29	25		
BUPA	53.4%	15.6%	28	23	Yes	Yes
GMHBA	0.3%	1.4%	29	25		
GU Corporate	0.1%	2.3%	29	24		
HCF	4.9%	3.5%	27	18	Yes	
Health-Partners	7.6%	95.5%	30	23	Yes	Yes
Medibank	23.6%	6.2%	30	19	Yes	Yes
NIB	1.8%	1.8%	27	20	Yes	
Peoplecare	0.3%	5.4%	30	21		

**Restricted membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
CBHS	0.8%	5.0%	30	20		
Defence Health	1.8%	8.5%	30	24		Yes
Navy Health	0.2%	5.5%	30	22		
Phoenix	0.2%	16.1%	30	20		
Police Health	1.5%	38.9%	30	23	Yes	
Teachers Health	1.3%	5.3%	30	20		

**Table 7F: Tasmania****Open membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
AU	0.8%	0.6%	5	3		
BUPA	37.7%	3.0%	5	4	Yes	Yes
GMBHA	1.1%	1.3%	5	3		
HCF	2.2%	0.4%	5	3		
HCI	2.3%	74.9%	5	3	Yes	
Medibank	33.8%	2.4%	5	2	Yes	Yes
NIB	1.2%	0.3%	5	2		
St Luke's	15.7%	87.7%	6	4	Yes	Yes

**Restricted membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
CBHS	1.0%	1.6%	5	2		
Defence Health	0.8%	1.0%	5	3		
Navy Health	0.2%	1.3%	5	3		
Police Health	0.5%	3.1%	5	3		
Teachers Health	1.0%	1.1%	5	2		



**Table 7G: Australian Capital Territory****Open membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
AU	1.6%	1.0%	5	9		
BUPA	21.1%	1.6%	4	6	Yes	
HCF	14.4%	2.7%	4	7	Yes	
Medibank	32.5%	2.2%	3	5	Yes	
NIB	16.5%	4.3%	5	8	Yes	

**Restricted membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
Defence	6.3%	7.7%	4	10		Yes
Navy	1.3%	9.7%	3	9		Yes
Teachers Health	2.1%	2.3%	3	7		

**Table 7H: Northern Territory****Open membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
BUPA	38.1%	1.1%	1	1	Yes	Yes
HBF	1.1%	0.1%	0	0		
HCF	4.0%	0.3%	1	1		
Medibank	44.4%	1.1%	1	1	Yes	Yes
NIB	2.0%	0.2%	1	1		

**Restricted membership funds**

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Private Day Hospitals	Retail Offices	Agencies
Defence Health	3.7%	1.7%	1	1		Yes
Navy Health	0.3%	0.9%	1	1		
Police Health	3.0%	7.3%	1	1		
Teachers Health	0.8%	0.3%	1	0		

# About The Private Health Insurance Ombudsman

*The Private Health Insurance Ombudsman (PHIO) protects the interests of people who are covered by private health insurance, through our complaints handling, consumer information and advice services, as well as advice to government and industry about issues of concern to consumers in relation to private health insurance.. Our office is independent of the private health funds, private and public hospitals and health service providers.*

*PHIO deals with inquiries and complaints about any aspect of private health insurance. Generally, anyone can make a complaint as long as it relates to private health insurance.*

## The Private Health Insurance Ombudsman

The Private Health Insurance Ombudsman (PHIO) deals with inquiries and complaints about any aspect of private health insurance. Our office is independent of the private health funds, private and public hospitals and health service providers.

We deal with complaints about private health insurance, including private health funds, brokers, hospitals, medical practitioners, dentists or other practitioners. Generally, anyone can make a complaint as long as it relates to private health insurance.

## How do I make a complaint?

You should first contact your health fund or the organisation or provider you're complaining about — they may be able to resolve your complaint for you.

If your fund doesn't provide a satisfactory response, you can contact us in one of the following ways:

**Call:** 1800 640 695 (free call from any Australian land line; charges apply for mobile phones)

**Write:** Private Health Insurance Ombudsman, Suite 2, Level 22, 580 George Street, Sydney NSW 2000

**Fax:** (02) 8235 8778

**Website:** [www.phio.gov.au](http://www.phio.gov.au)

**Email:** [info@phio.gov.au](mailto:info@phio.gov.au)

Please include:

- ▶ A clear description of your complaint;
- ▶ The name of your health fund and your membership number; and
- ▶ What you think would resolve the matter for you.

We'll let you know if any other information is needed.

## What happens after I make a complaint?

Many complaints result from misunderstandings. Your PHIO case officer may be able to resolve your complaint by explaining what has happened and why.

Otherwise, we'll contact your health fund or the body you are complaining about to get their explanation and any suggestions they have for fixing the problem. We deal with most complaints by phone, email and fax, and most can be settled quickly.

Where complaints are more complex, we will write to the health fund or other body, seeking further information or recommending a certain course of action. Your case officer will keep you regularly informed, usually by telephone. They will give you their name and contact number in case you need to contact them.

## What if I just want some information about health insurance?

We can help with information about private health insurance arrangements:

- ▶ Call our Hotline on 1800 640 695;
- ▶ Email us at [info@phio.gov.au](mailto:info@phio.gov.au); or
- ▶ Check our websites [www.phio.gov.au](http://www.phio.gov.au) and [www.privatehealth.gov.au](http://www.privatehealth.gov.au)

We also have brochures and publications about private health insurance arrangements which you can find on our website or which we can post on request.

## Who can I contact if my complaint is about a medical issue or Medicare?

Complaints about the quality of service or clinical treatment provided by a health professional or a hospital should be directed to the health care complaints body for your state or territory. These are listed in the state government section of your telephone directory.

Complaints about Medicare should be directed to the Commonwealth Ombudsman on 1300 362 072.

# Your Health Insurance Checklist

Ten tips from the Private Health Insurance Ombudsman for avoiding health insurance problems.

- 1** Consider taking out the highest level of hospital cover you can afford and choosing a higher excess, rather than restrictions or exclusions, to save money on premiums.
- 2** Review your Standard Information Statement (SIS) every year. Think about whether your policy will continue to meet your needs over the coming year. This is particularly important if you are thinking about starting a family, or your health needs are changing as you grow older.
- 3** Read all of the information your fund sends you carefully. Important information about your cover will be sent in a personalised letter and should not be ignored.
- 4** Ensure your premiums are up to date. If you pay by direct debit, check your bank or credit card statements every month to ensure payments are being correctly deducted.
- 5** Tell your fund if you change address, add a partner, have a child, or any other circumstance which might affect your cover.
- 6** Make sure you understand any waiting periods, restrictions or limits applying to your cover.
- 7** Contact your fund before you go to hospital to check whether you will be covered and what costs you may need to pay yourself.
- 8** Talk to your doctors about their fees and ask whether they will bill you under your health fund's gap scheme.
- 9** If you decide to change funds, make sure you understand the difference in benefits before changing.
- 10** Visit [www.privatehealth.gov.au](http://www.privatehealth.gov.au) for information and advice about private health insurance.

More information can be found in the 'Health Insurance Choice' and 'Ten Golden Rules' brochures, available at [www.privatehealth.gov.au](http://www.privatehealth.gov.au) and [www.phio.gov.au](http://www.phio.gov.au) or from the office of the Private Health Insurance Ombudsman.





**Australian Government**

**Private Health Insurance Ombudsman**

*“Protecting the  
interests of  
people covered  
by private  
health insurance.”*

