



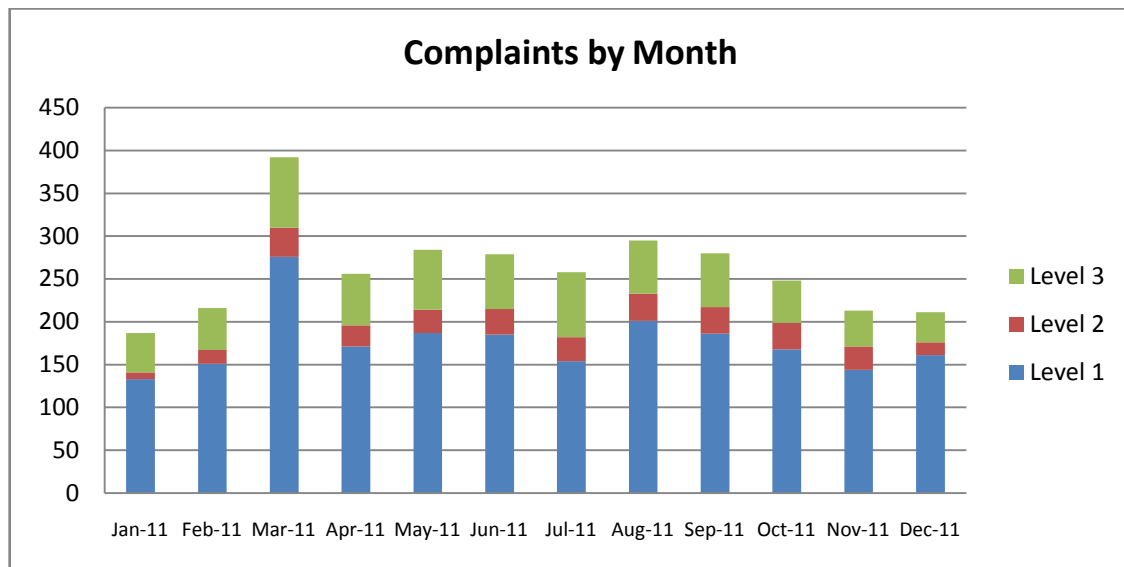
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Quarterly Bulletin 61

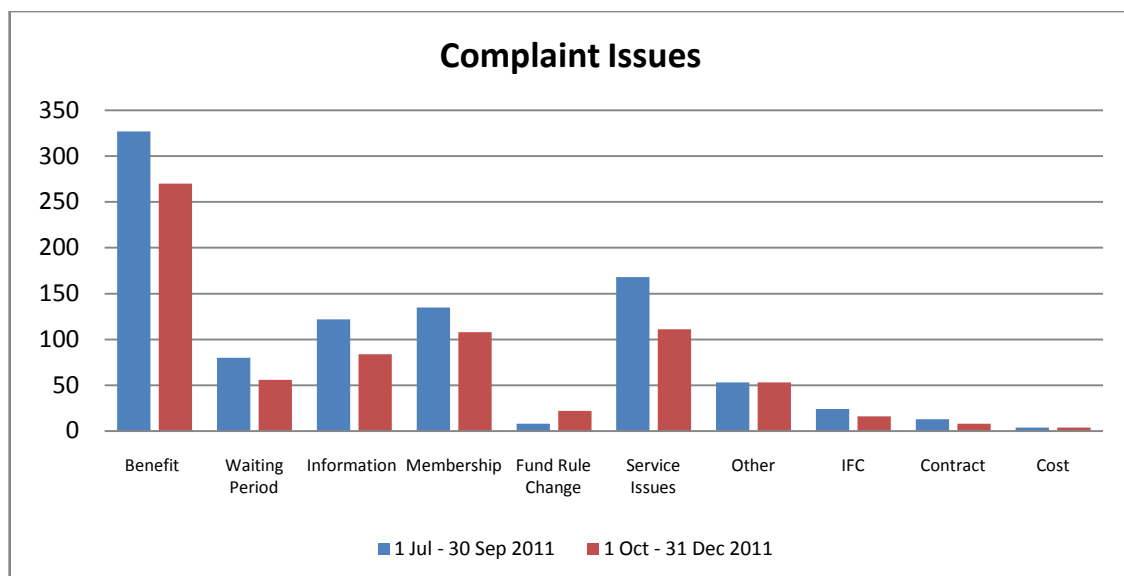
(01 October – 31 December 2011)

Complaint Statistics & Workload

The office received 672 complaints during the December 2011 quarter, a similar figure to the 698 complaints received during the same period in the previous year. Typically, fewer complaints are received during the October to December period each year.

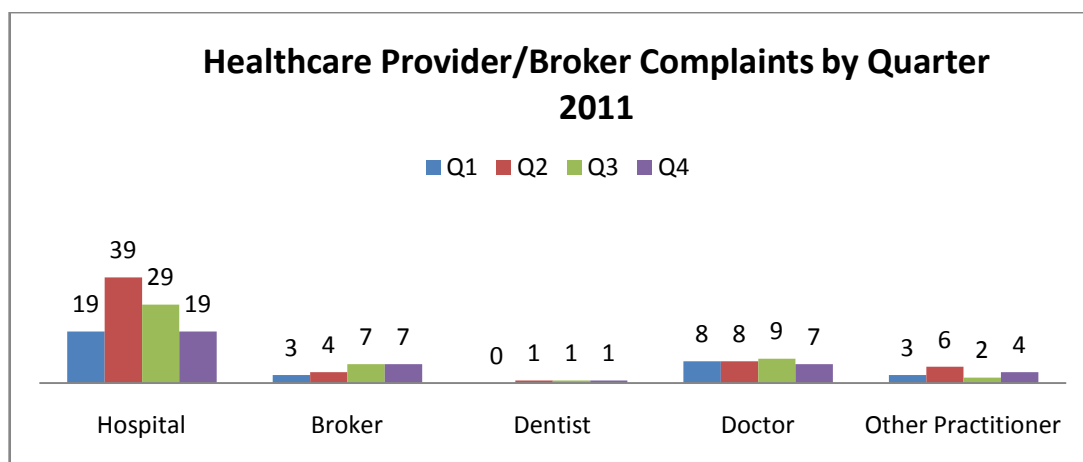


With overall complaint figures down, complaint issues are also down on the previous quarter. The exception is Fund Rule Change, which increased from 8 to 22 complaints, in line with the general increase in this type of complaint.



Complaints about Health Care Providers

PHIO has a role in handling complaints about healthcare providers (hospitals, medical practitioners and ancillary providers), as well as health insurance brokers, in relation to private health insurance arrangements. PHIO also investigates complaints about Overseas Visitor Cover and Overseas Student Cover. These complaints are not included in the table of health insurer complaints on page 4 of this bulletin, because the object of the complaint is a healthcare provider or broker, rather than a health insurer. PHIO does, however, record these complaints for reporting purposes. The table below shows complaints about healthcare providers and brokers for the four quarters last year.



Reminder: Sale of Policies to non-Australian Residents

In Quarterly Bulletin 59, PHIO reported that some insurers were refusing to sell Complying Health Insurance Policy (CHIP) policies to temporary residents on working visas, many of whom would become liable for the Medicare Levy Surcharge if they didn't purchase a CHIP.

It is not appropriate for insurers to refuse to sell products to people based solely on their Medicare status, but unfortunately PHIO continues to receive complaints from temporary residents reporting health insurance staff refusing to accept applications.

PHIO would like to remind insurers that frontline staff members need to be trained appropriately in this area, so that they can ask the right questions to ensure the member purchases the correct policy for their needs. It is possible for a temporary resident with reciprocal Medicare benefits to incur a substantial Medicare Levy Surcharge liability if they are incorrectly advised that they are not eligible to purchase a CHIP policy.

PHIO's previous advice on this topic is in Quarterly Bulletin 59:
<http://www.phio.org.au/downloads/file/PublicationItems/QB59.pdf>

The Department of Health & Ageing issued circular 60/09 on this topic:
http://www.health.gov.au/internet/main/publishing.nsf/Content/health-phicirculars2009-60_09.htm

Membership Cancellation

Being able to cancel a policy or transfer to a new insurer is an important consumer right and PHIO encourages insurers to ensure that a member wishing to cease membership is able to do so easily and with a minimum of administrative problems. During the last few

quarters, there has been an increasing number of complaints from members experiencing difficulties cancelling their membership. Typical problems relate to administrative delays in providing refunds and problems with cancellation requests not being attended to. There have also been cases of consumers experiencing problems with insurers not accepting that an adult is able to cancel themselves off a policy, regardless of whether an ex-partner or spouse authorises it.

These complaints are in addition to those relating to problems with obtaining clearance certificates.

Informing Members about PHIO's Services

One of PHIO's functions is ensuring that the general public is aware of the office's services, including its complaint handling service. PHIO considers that if a member has a complaint which they haven't been able to satisfactorily resolve with their health insurer, they should be able to find contact information for PHIO quickly and easily in their brochure or on their fund's website.

Unfortunately, some insurers are not providing details about PHIO or "how to complain" on their websites. PHIO will be raising our concerns with the individual insurers concerned and under section 256-10 of the *Private Health Insurance Act 2007*, directing those insurers to provide PHIO's phone, email and website details on websites in a way that a consumer will be able to locate. PHIO also notes that providing information of a consumer's right to have a complaint looked at by the PHIO is a requirement of the industry Code of Conduct.

Training in Dealing with Difficult Complaints

PHIO has arranged special training sessions with the NSW Ombudsman on handling more difficult complaints. The NSW Ombudsman has developed a valuable training session based on the experience of all parliamentary ombudsmen in Australia and their own experience in assisting a broad range of complainants.

The sessions in Melbourne (16th Feb) and Sydney (27th Feb) have sold out but we can arrange additional sessions if there is sufficient demand. An additional session in Adelaide has arranged for 22nd February and some places are still available.

PHIO Consumer Newsletter

PHIO receives a number of requests for general private health insurance information from both the privatehealth.gov.au website and via the complaints hotline. In response to the demand for consumer information on private health insurance, PHIO will commence a regular consumer newsletter shortly. This newsletter will be different to the existing quarterly bulletin, whose audience is mainly from the private health insurance industry.

Topics will be chosen based on the issues that PHIO gets the most enquiries about and areas where there is little other information currently available to a consumer searching on the internet.

Bulletins will be stored and searched on the www.privatehealth.gov.au website where there will also be a subscribe/unsubscribe page.

Complaints by Health Insurer Market Share

1 October - 31 December 2011

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	26	4.4%	8	7.5%	2.9%
Australian Unity	21	3.5%	6	5.6%	3.1%
BUPA (includes MBF)	147	24.8%	22	20.6%	26.9%
CBHS	5	0.8%	0	0.0%	1.3%
CDH (Cessnock District Health)	0	0.0%	0	0.0%	<0.1%
CUA Health	1	0.2%	0	0.0%	0.4%
Defence Health	3	0.5%	0	0.0%	1.6%
Doctors' Health Fund	2	0.3%	0	0.0%	0.1%
GMHBA	14	2.4%	4	3.7%	1.7%
Grand United Corporate Health	2	0.3%	0	0.0%	0.4%
HBF Health	16	2.7%	3	2.8%	7.7%
HCF (Hospitals Cont. Fund)	73	12.3%	16	15.0%	10.5%
Health Care Insurance	0	0.0%	0	0.0%	0.1%
HIF (Health Insurance Fund of Aus.)	4	0.7%	2	1.9%	0.6%
Healthguard	3	0.5%	0	0.0%	0.5%
Health-Partners	1	0.2%	0	0.0%	0.7%
Latrobe Health	7	1.2%	1	0.9%	0.7%
Medibank Private	193	32.6%	27	25.2%	27.7%
Mildura District Hospital Fund	2	0.3%	1	0.9%	0.3%
National Health Benefits Aust.	0	0.0%	0	0.0%	0.1%
N.I.B. Health	45	7.6%	13	12.1%	7.5%
Navy Health	1	0.2%	0	0.0%	0.2%
Peoplecare	3	0.5%	0	0.0%	0.4%
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	1	0.2%	0	0.0%	0.3%
Railway & Transport Health	2	0.3%	0	0.0%	0.4%
Reserve Bank Health	0	0.0%	0	0.0%	<0.1%
St Lukes Health	1	0.2%	0	0.0%	0.4%
Teacher Federation Health	11	1.9%	0	0.0%	1.8%
Teachers Union Health	1	0.2%	0	0.0%	0.4%
Transport Health	0	0.0%	0	0.0%	0.1%
Westfund	6	1.0%	4	3.7%	0.8%
Total for Health Insurers	592	100%	107	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 2011