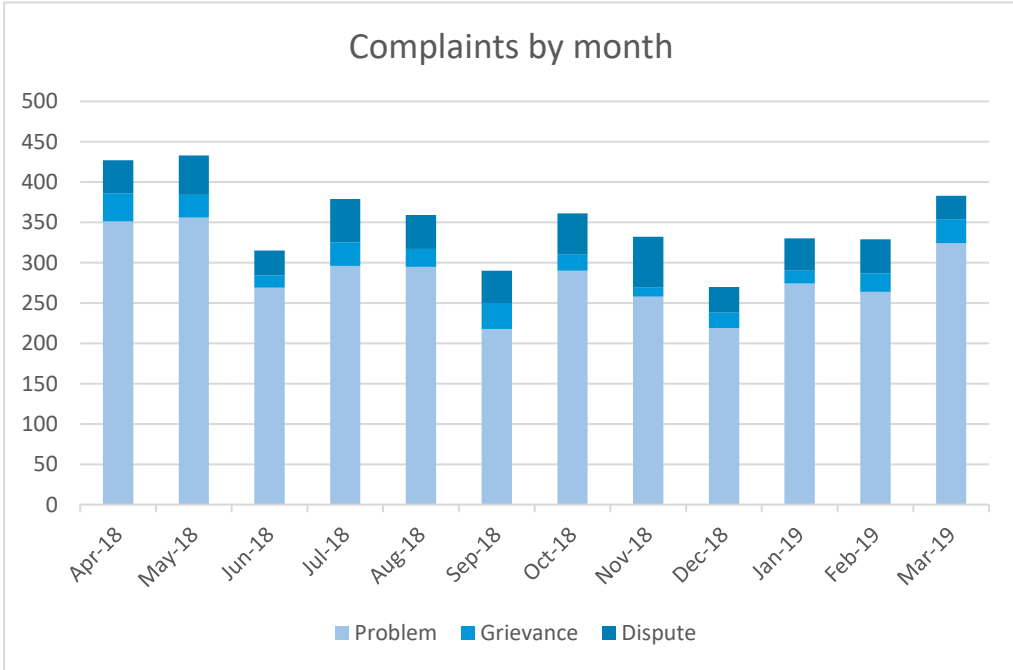
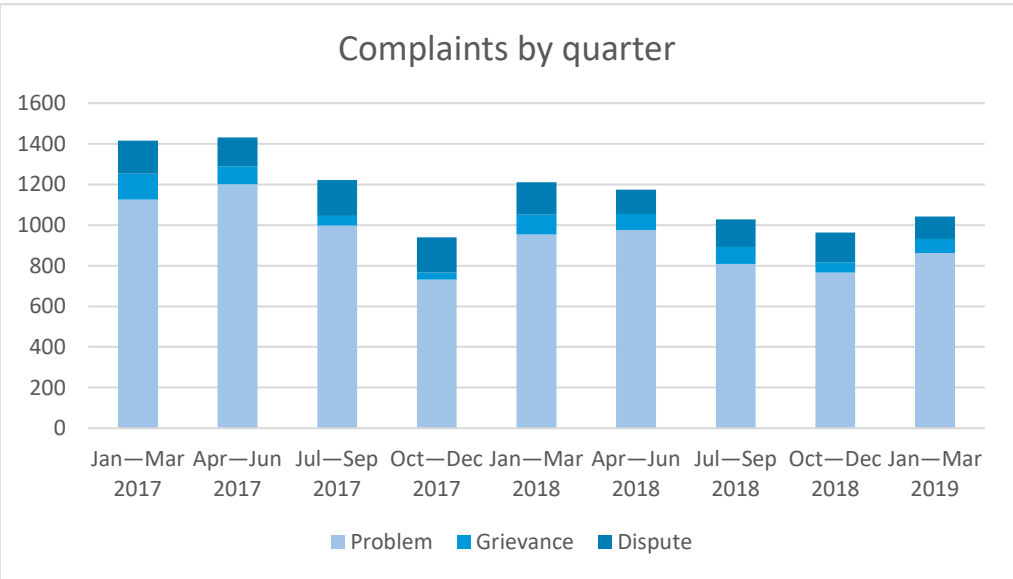
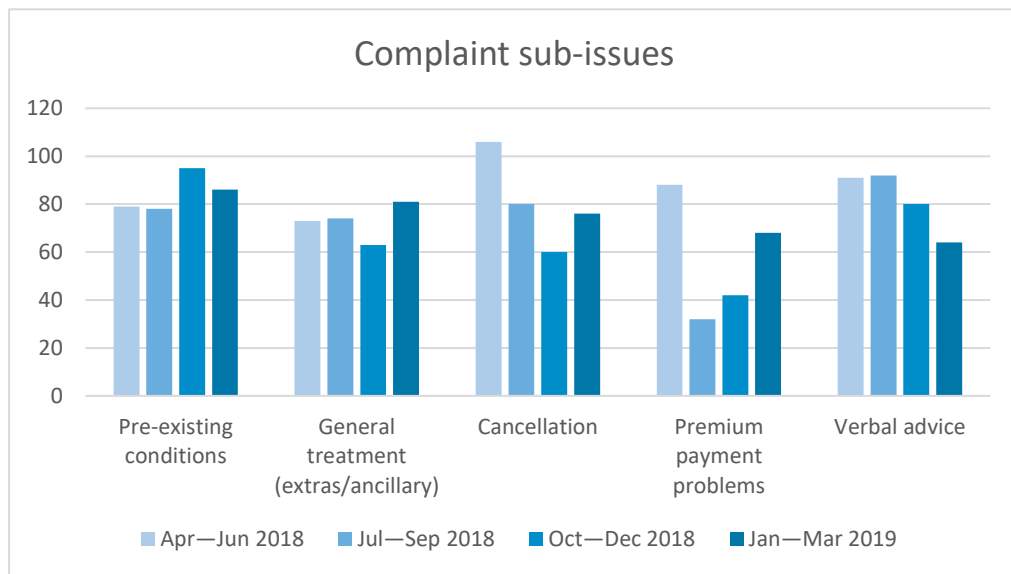
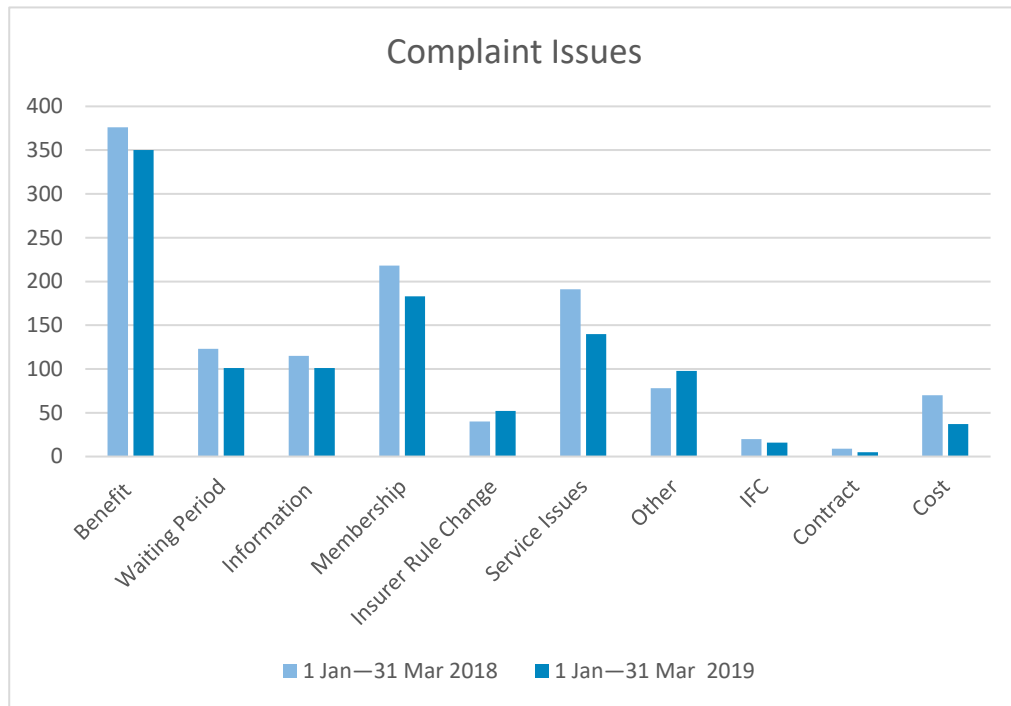


## Quarterly Bulletin 90: 1 January—31 March 2019

### Complaint statistics

The Office of the Commonwealth Ombudsman (the Office) received 1,042 private health insurance complaints this quarter, an increase of 8% compared to the 963 complaints received in the last quarter (Oct–Dec 2018). However, the total number of complaints is down 13% from the 1,211 complaints received in the March quarter in 2018.





### Top five consumer complaint sub-issues this quarter

1. **Pre-existing conditions waiting period: 86 complaints**—these complaints are usually caused by the health insurer or the insurer’s medical practitioner failing to clearly state which signs and symptoms were relied upon in assessing a claim, or the complainant misunderstanding how a pre-existing condition is defined. The Office is able to seek a better explanation of the insurer’s medical practitioner’s decision as well as provide an impartial review.
2. **General treatment benefits: 81 complaints**—these complaints usually concern disputes over the amount payable under ‘extras’ policies such as dental, optical, physiotherapy and pharmaceuticals, or the insurer’s rules for benefit payments (such as certain minimum claim criteria).

3. **Membership cancellation: 76 complaints**—these complaints are caused by problems and delays associated with processing requests to cancel memberships and handling payments or refunds. It is important to note that in most cases these membership cancellations are caused by consumers transferring from one insurer to another and not the result of people leaving private health insurance altogether. This issue has remained consistently high for several quarters and we are monitoring this issue for industry trends.
4. **Premium payment problems: 68 complaints**— predominantly concerning direct debits from bank accounts and credit cards, such as incorrect direct debit amounts, irregular direct debits, or the accidental cessation of direct debit arrangements.
5. **Verbal advice: 64 complaints**—most verbal advice complaints concern consumers misunderstanding their benefits during telephone calls and retail branch visits with their insurer, particularly where records are not adequately maintained. In many cases our case officers will access the recording of advice provided to a consumer and provide an independent assessment of the quality of the information provided.

### Complaints by provider or organisation type

The majority of cases handled by the Office are about Australian private health insurers. However, we also handle complaints about other providers, as long as complaints are about health insurance arrangements.

A comparison of the previous four quarters shows complaints about different provider and organisation types remains generally steady. Notably, complaints against brokers and comparison services continue to be down by approximately 50 per cent, compared to the September 2018 quarter. Complaints categorised as ‘Other’ increased by nearly 100 per cent this quarter (noting this amounts to an increase to 30 complaints from 16 in the previous quarter). This was largely due to consumer complaints about private health insurance reforms taking effect from April 2019 – we will continue to monitor these complaints as the reforms continue to take effect through to 2020.

Provider or organisation type	Jun 2018 quarter	Sep 2018 quarter	Dec 2018 quarter	Mar 2019 quarter
Health insurers	1,019	854	816	904
Overseas visitor and overseas student health insurers	95	111	98	81
Brokers and comparison services	25	26	13	12
Doctors, dentists, other medical providers	10	6	5	5
Hospitals and area health services	10	17	3	10
Other (e.g. legislation, ambulance services, industry peak bodies, etc.)	16	14	16	30

## Privatehealth.gov.au

On 1 April 2019, the Office of the Commonwealth Ombudsman launched a new version of its [Privatehealth.gov.au](https://privatehealth.gov.au) website.

The website is Australia's leading independent source of consumer information about private health insurance. It is also the only website that allows users to search the features and premium costs of every policy available in Australia.

The website's new features include:

- Information about the government's Private Health Insurance Reforms, including new product tiers for hospital policies (Gold, Silver, Bronze and Basic).
- An improved search feature that allows users to filter down results based on the services they are most interested in, or the premium they are prepared to pay. Search results can be displayed in a vertical 'tile' format, allowing users to compare policies side by side.
- A new, simpler Private Health Insurance Statement (PHIS) which summarises the most important features of every policy. Users can download, print or email PHISs to enable them to consider the information at a time that suits them.
- A new premium estimator so users can decide whether to compare policies according to the base premiums or an estimated premium that takes into account their rebate and/or Lifetime Health Cover (LHC) loading.
- An updated look and feel, including compatibility with mobile devices.
- Improvements to existing features such as the Agreement Hospitals finder which shows which hospitals are covered by each insurer.

During the reform's transition period from 1 April 2019 to 1 April 2020, health insurers will be transferring existing policies across to the new tiers gradually. The website will always include all available policies, as health insurers are required to keep information on the [Privatehealth.gov.au](https://privatehealth.gov.au) website up to date at all times.

## Subscribe for updates

To be added to our distribution list for private health insurance news and publications, sign up using our [online form](#) or email [privatehealthinsuranceombudsman@ombudsman.gov.au](mailto:privatehealthinsuranceombudsman@ombudsman.gov.au).

You can also follow us on Facebook for updates: [facebook.com/commonwealthombudsman/](https://facebook.com/commonwealthombudsman/)

For general private health insurance information and to compare health insurance policies, visit [privatehealth.gov.au](https://privatehealth.gov.au).

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More information is available at [ombudsman.gov.au](https://ombudsman.gov.au).

Complaints by health insurer market share

Name of insurer	Complaints <sup>1</sup>	Percentage of complaints	Disputes <sup>2</sup>	Percentage of disputes	Market share <sup>3</sup>
ACA Health Benefits	0	0.0%	0	0.0%	0.1%
Australian Unity	48	5.3%	1	1.3%	2.9%
BUPA	216	23.9%	31	38.8%	26.3%
CBHS Corporate Health	0	0.0%	0	0.0%	<0.1%
CBHS	11	1.2%	1	1.3%	1.5%
CDH (Cessnock District Health)	0	0.0%	0	0.0%	<0.1%
CUA Health	6	0.7%	0	0.0%	0.6%
Defence Health	13	1.4%	2	2.5%	2.1%
Doctors' Health Fund	2	0.2%	1	1.3%	0.3%
Emergency Services Health	0	0.0%	0	0.0%	<0.1%
GMHBA	35	3.9%	4	5.0%	2.4%
Grand United Corporate Health	10	1.1%	2	2.5%	0.4%
HBF Health & GMF/Healthguard	52	5.8%	2	2.5%	7.8%
HCF (Hospitals Contribution Fund)	141	15.6%	10	12.5%	10.7%
HCI (Health Care Insurance)	2	0.2%	0	0.0%	0.1%
Health Partners	8	0.9%	1	1.3%	0.6%
Health.com.au	7	0.8%	2	2.5%	0.6%
HIF (Health Insurance Fund of Aus.)	10	1.1%	1	1.3%	0.8%
Latrobe Health	2	0.2%	0	0.0%	0.7%
Medibank Private & AHM	213	23.6%	13	16.3%	26.9%
Mildura District Hospital Fund	1	0.1%	1	1.3%	0.2%
MO Health Pty Ltd	3	0.3%	0	0.0%	<0.1%
National Health Benefits Aust.	0	0.0%	0	0.0%	0.1%
Navy Health	6	0.7%	0	0.0%	0.3%
NIB Health	65	7.2%	6	7.5%	8.5%
Nurses and Midwives Pty Ltd	1	0.1%	0	0.0%	<0.1%
Peoplecare	3	0.3%	0	0.0%	0.5%
Phoenix Health Fund	4	0.4%	0	0.0%	0.1%
Police Health	0	0.0%	0	0.0%	0.3%
QLD Country Health Fund	1	0.1%	1	1.3%	0.4%
Railway & Transport Health	11	1.2%	1	1.3%	0.4%
Reserve Bank Health	0	0.0%	0	0.0%	<0.1%
St Lukes Health	2	0.2%	0	0.0%	0.5%
Teachers Federation Health	27	3.0%	0	0.0%	2.4%
Transport Health	1	0.1%	0	0.0%	0.1%
TUH	1	0.1%	0	0.0%	0.6%
Westfund	2	0.2%	0	0.0%	0.7%
<b>Total for Health Insurers</b>	<b>904</b>	<b>100%</b>	<b>80</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> Total number of complaints (Problems, Grievances & Disputes) regarding Australian registered health insurers. This table excludes complaints regarding OVHC and OSHC insurers, and other bodies.

<sup>2</sup> Disputes required the intervention of the Ombudsman and the health insurer.

<sup>3</sup> Source: Australian Prudential Regulation Authority, Market Share, All Policies, 30 June 2018.

Issues and sub-issues: complaints received in previous four quarters

ISSUE Sub-issue	Jun 18	Sep 18	Dec 18	Mar 19	ISSUE Sub-issue	Jun 18	Sep 18	Dec 18	Mar 19
<b>BENEFIT</b>					<b>INFORMED FINANCIAL CONSENT</b>				
Accident and emergency	14	13	20	15	Doctors	7	2	6	2
Accrued benefits	5	0	1	1	Hospitals	12	8	3	10
Ambulance	20	10	12	16	Other	0	2	6	4
Amount	15	16	22	10	<b>MEMBERSHIP</b>				
Delay in payment	27	45	43	27	Adult dependents	13	4	3	10
Excess	16	17	8	17	Arrears	16	12	16	19
Gap — Hospital	11	0	14	27	Authority over membership	9	7	5	9
Gap — Medical	47	42	17	25	Cancellation	106	80	60	76
General treatment (extras/ancillary)	73	74	63	81	Clearance certificates	47	33	31	31
High cost drugs	1	1	2	2	Continuity	22	28	13	13
Hospital exclusion/restriction	71	52	46	61	Rate and benefit protection	4	4	1	2
Insurer rule	28	8	18	13	Suspension	26	23	12	23
Limit reached	0	1	2	6	<b>SERVICE</b>				
New baby	3	1	3	5	Customer service advice	28	15	22	15
Non-health insurance	2	1	1	0	General service issues	56	43	33	39
Non-health insurance — overseas benefits	0	0	0	0	Premium payment problems	88	32	42	68
Non-recognised other practitioner	4	2	1	7	Service delays	12	16	20	18
Non-recognised podiatry	5	4	0	2	<b>WAITING PERIOD</b>				
Other compensation	3	2	2	5	Benefit limitation period	0	0	0	0
Out of pocket not elsewhere covered	2	6	10	5	General	18	16	7	5
Out of time	6	5	6	4	Obstetric	8	9	8	7
Preferred provider schemes	7	2	8	11	Other	8	3	7	3
Prostheses	3	8	11	8	Pre-existing conditions	79	78	95	86
Workers compensation	2	1	0	2	<b>OTHER</b>				
<b>CONTRACT</b>					Access	0	1	2	0
Hospitals	6	5	9	2	Acute care and type C certificates	2	6	2	2
Preferred provider schemes	5	3	0	2	Community rating	0	1	0	0
Second tier default benefit	0	1	1	1	Complaint not elsewhere covered	2	14	13	8
<b>COST</b>					Confidentiality and privacy	3	7	5	3
Dual charging	2	5	4	5	Demutualisation/sale of health insurers	0	1	0	0
Rate increase	27	5	2	32	Discrimination	1	1	2	1
<b>INCENTIVES</b>					Medibank sale	0	0	0	0
Lifetime Health Cover	57	60	37	42	Non-English speaking background	0	0	0	0
Medicare Levy Surcharge	6	6	3	1	Non-Medicare patient	1	1	0	0
Private health insurance reforms <sup>4</sup>	-	-	4	37	Private patient election	1	1	2	2
Rebate	4	5	1	2	Rule change	43	68	76	52
Rebate tiers and surcharge changes	1	3	0	0					
<b>INFORMATION</b>									
Brochures and websites	10	5	4	7					
Lack of notification	9	9	16	10					
Radio and television	0	0	0	0					
Standard Information Statement	1	4	1	4					
Verbal advice	91	92	80	64					
Written advice	8	7	5	16					

<sup>4</sup> New sub-issue as of 1 October 2018.