



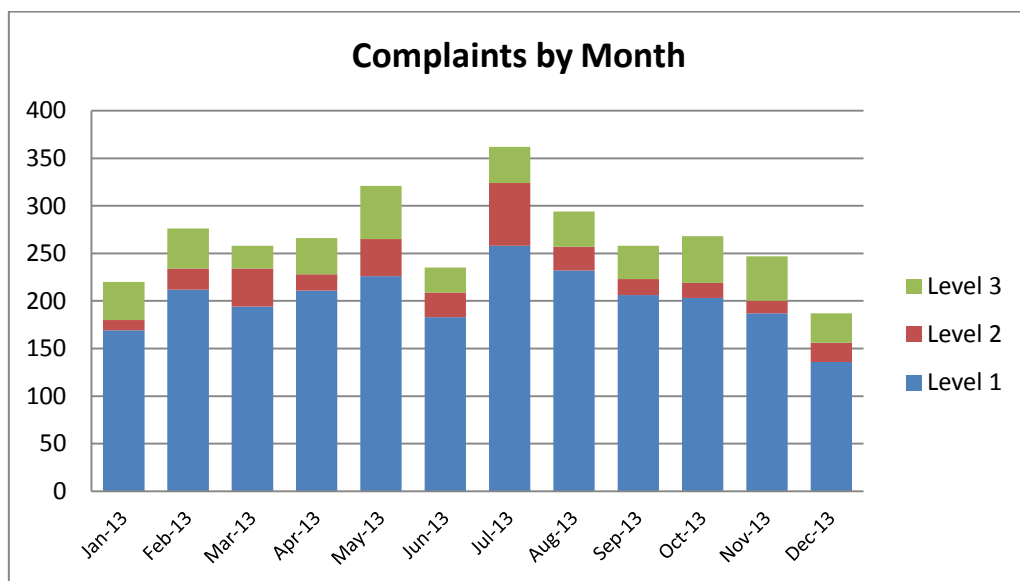
Issues in this bulletin

- Complaint statistics & workload
- Detrimental change notifications
- Quarterly Bulletin: electronic only
- PHIO at Sydney Royal Easter Show

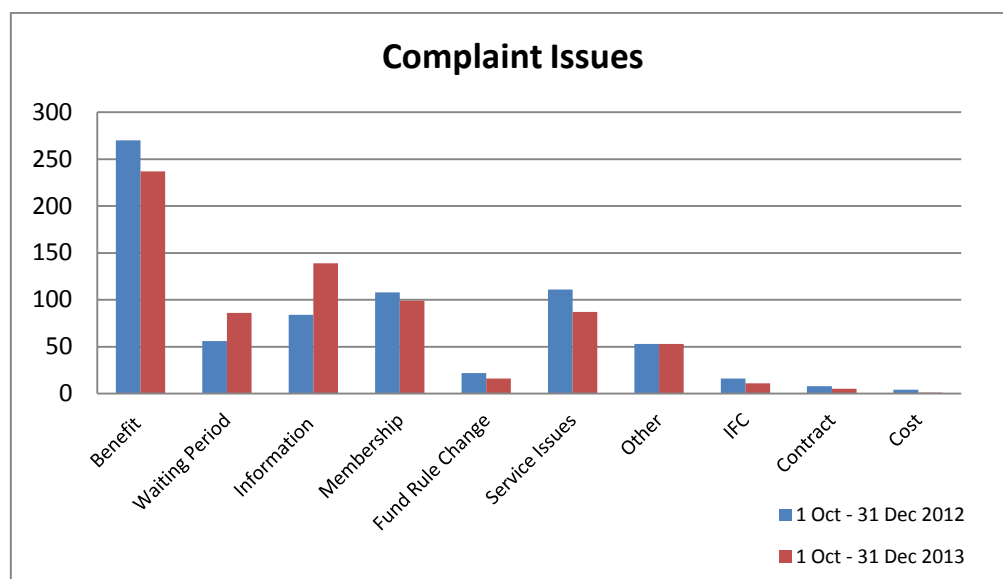
Quarterly Bulletin 69
(1 October – 31 December 2013)

Complaint Statistics & Workload

The Ombudsman received 702 complaints during the December quarter, compared with 914 complaints last quarter. This represented an increase of 18% on the 591 complaints received in the same quarter last year. Typically complaints decrease over the holiday period of December to January, as seen below.



Compared to the same quarter last year, the office received a higher number of complaints about information and waiting periods. The increase in information complaints was largely due to complaints about advice provided to health fund members at retail centres or over the phone.



Detrimental Rule Change Notifications

In the lead up to 1 April, PHIO would like to remind insurers of the need to ensure that members are given accurate and timely information about any detrimental changes to policies. Section 93-20 of the *Private Health Insurance Act 2007* requires insurers to inform policy holders of detrimental changes to their policy within a reasonable time before the change takes effect.

In the past, PHIO has provided advice about what constitutes a reasonable notice period for detrimental rule changes. Key points are as follows:

1. Significant detrimental changes to hospital benefits

- Removal of benefits or restriction to default benefits for a condition or treatment
 - Addition of excesses or co-payments
 - Increases in excess or co-payment >50%
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- At least 50 days' notice to affected contributors;
 - Information about "upgrade" options in and outside the fund;
 - Pre- booked admissions (prior to notification) unaffected;
 - Patients currently in a "course of treatment" to be unaffected (for up to 6 months).

2. Other detrimental changes to hospital benefits

- At least 30 days' notice to affected contributors;
- Information about "upgrade" options in and outside the fund;
- Pre- booked admissions (prior to notification) unaffected;
- Patients in a "course of treatment" (at time of notification) to be unaffected (for up to 3 months).

3. Detrimental changes to ancillary benefits

- At least 30 days' notice to affected contributors;
- Changes to annual limits and withdrawal of benefits subject to annual limits to take effect from beginning of next annual period.

+ For all detrimental changes:

- Flexibility to deal with special or unusual circumstances on a case by case basis.

Additional information about this issue can be found in PHIO Quarterly Bulletins 45 and 52 on www.phio.gov.au. The requirement to notify members of detrimental rule changes in advance is particularly important, because if a member is aware that they are losing a benefit they wish to be covered for, they then have an opportunity to change to a different policy to ensure they maintain continuous cover for that benefit.

The issues that complainants have raised with PHIO in relation to detrimental rule changes in the past have included:

- Overlooking important information about losing a benefit because the message is not given sufficient prominence, due to the inclusion of marketing information which pushes more important information further down the page or to a second page;
- Missing a rule change notification due to ambiguous headings that don't make it clear that the change is a negative one;
- Missing information about changes to a policy because it's only explained in an enclosed booklet; and

- Misunderstanding the implications of removal of benefits for a service because the language used was unclear or ambiguous.

These types of complaint can be prevented by ensuring that information provided to members about detrimental rule changes is clear and unambiguous and is given prominence on the first page of the letter that is sent.

PHIO Quarterly Bulletin – Now Electronic Only

Due the increased number of people receiving our communications electronically and in consideration of the environmental and other costs associated with posting paper copies, we will no longer be printing and posting the Quarterly Bulletin.

The following options are available for you to keep up to date with PHIO's publications and newsletters:

- Subscribe to our email update list at www.phio.gov.au - you can unsubscribe at any time and we won't send you communications you haven't agreed to receive;
- Use an RSS feed reader - subscribe at the "What's New" section on www.phio.gov.au;
- Subscribe to our Facebook page, soon to be released; or
- Check our website www.phio.gov.au - quarterly bulletins are released in the first week of February, May, August, and December each year.

Sydney Royal Easter Show Senior Days – April 15 and 16

Visit PHIO and other ombudsman organisations at this year's Royal Easter Show's Senior Days. This is an opportunity for the public to meet PHIO staff and learn about our consumer information and dispute resolution services, as well as the services available from:

- Energy and Water Ombudsman NSW (EWON)
- Telecommunications Industry Ombudsman (TIO)
- NSW Ombudsman
- Credit Ombudsman Service (COSL)
- The Aged-care Rights Service (TARS)
- Australian Securities and Investment Commission (ASIC) and
- NSW Trustee and Guardian

The Ombudsman Services tent will be located in the grass outside the Big Top Amphitheatre, from 10am to 4pm on Tuesday April 15 and Wednesday April 16. For more information about Senior Days and the Easter Show, see: <http://www.eastershow.com.au>

Complaints by Health Insurer Market Share

1 October - 31 December 2013

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	24	3.9%	3	2.6%	3.0%
Australian Unity	31	5.1%	3	2.6%	3.2%
BUPA	227	37.3%	53	46.5%	26.7%
CBHS	7	1.1%	1	0.9%	1.3%
CDH (Cessnock District Health)	0	0.0%	0	0.0%	<0.1%
CUA Health	4	0.7%	0	0.0%	0.4%
Defence Health	5	0.8%	0	0.0%	1.6%
Doctors' Health Fund	1	0.2%	0	0.0%	0.2%
GMHBA	7	1.1%	1	0.9%	1.8%
Grand United Corporate Health	1	0.2%	1	0.9%	0.4%
HBF Health	18	3.0%	5	4.4%	7.6%
HCF (Hospitals Cont. Fund)	76	12.5%	13	11.4%	10.7%
Health.com.au	2	0.3%	1	0.9%	<0.1%
Health Care Insurance	0	0.0%	0	0.0%	0.1%
HIF (Health Insurance Fund of Aus.)	5	0.8%	0	0.0%	0.6%
Healthguard (GMF/Central West)	1	0.2%	0	0.0%	0.5%
Health-Partners	0	0.0%	0	0.0%	0.6%
Latrobe Health	3	0.5%	1	0.9%	0.7%
Medibank Private	104	17.1%	15	13.2%	27.1%
Mildura District Hospital Fund	1	0.2%	0	0.0%	0.2%
National Health Benefits Aust.	0	0.0%	0	0.0%	0.1%
NIB Health	68	11.2%	11	9.6%	7.6%
Navy Health	0	0.0%	0	0.0%	0.3%
Peoplecare	4	0.7%	1	0.9%	0.5%
Phoenix Health Fund	1	0.2%	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	4	0.7%	2	1.8%	0.4%
Reserve Bank Health	0	0.0%	0	0.0%	<0.1%
St Lukes Health	2	0.3%	1	0.9%	0.4%
Teachers Federation Health	8	1.3%	1	0.9%	1.8%
Teachers Union Health	1	0.2%	0	0.0%	0.4%
Transport Health	0	0.0%	0	0.0%	0.1%
Westfund	2	0.3%	1	0.9%	0.8%
Total for Health Insurers	609	100%	114	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 2012