



Australian Government

Private Health Insurance Ombudsman

MEDIA RELEASE

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PRIVATE HEALTH INSURANCE OMBUDSMAN RELEASES 2010/11 ANNUAL REPORT

The Private Health Insurance Ombudsman, Samantha Gavel, today released her office's Annual Report detailing activities undertaken in the 12-month period between 1 July 2010 and 30 June 2011 in protecting the interests of consumers in relation to private health insurance.

Highlights for the year included:

- the official launch of the major updates made to the www.privatehealth.gov.au website;
- positive feedback from consumers in relation to the updated site, with 85% of those surveyed being satisfied with the information available on the website;
- the PHIO Industry Seminar which was held in March 2011, with a focus on consumer issues and best practice in complaint handling;
- the release of a Discussion Paper relating to the industry consultation on Acute Care Certification issues;
- continuing high level of customer satisfaction with PHIO's complaints handling service, with 88% of those surveyed reporting they were satisfied or very satisfied with the service; and
- working with a number of individual insurers to improve customer service and their internal processes to reduce complaints about particular issues causing complaints from their members.

Ms Gavel said her office had received 3,070 complaints during the year, which was an increase on the 2,618 complaints received during the previous year, with the main issues forming the substance of complaints relating to questions about level of cover, fund rule changes and general service issues.

"Higher numbers of complaints about these issues were not seen across all insurers, but generally confined to a small number of insurers that made changes to some of their policies during 2010. Although the changes to policies occurred in 2010, the impact of the changes did not become apparent through complaints to PHIO until early in 2011."

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Ms Gavel said that the increase in complaints received was a significant departure from recent years, where there had only been gradual increases in the number of complaints, in line with the overall increase in the number of people taking out private health insurance.

“The increase this year was most notable in the second half of the year. PHIO usually experiences a higher number of complaints at this time of year as fund premium increases are notified to members in March and April. Our trend data shows that this increased profile of health insurance at this time of year acts as a catalyst for people who may be experiencing a problem with their health insurance to contact their fund or PHIO about it.”

Ms Gavel also noted that there were 716 higher-level complaints requiring more detailed investigation by her office, which represented a small increase on the 684 higher-level complaints from the previous year.

“The relatively small increase in the number of higher-level complaints suggests that insurers are dealing well with complaints referred back to them by PHIO and that their internal complaints handling practices continued to be robust.”

Ms Gavel emphasised that the best private health insurance outcomes for consumers can only be achieved through access to the best information and directed consumers to her office’s consumer website www.privatehealth.gov.au as the leading independent source of information on private health insurance in Australia.

“What my office consistently finds is that private health insurance is all too often out of sight out of mind for consumers until they get sick. To this end, as part of my office’s continuing consumer awareness campaign, this year a major update and relaunch of the consumer website www.privatehealth.gov.au was undertaken to ensure it continues to meet consumers’ needs for independent and reliable information about private health insurance.”

In terms of priorities for the current year, Ms Gavel said her office would be making further announcements about ongoing improvements to the www.privatehealth.gov.au consumer website in the near future, would ensure that information is available to consumers who do not have access to the internet, and would continue working with insurers to address the underlying causes of complaints to the office, particularly in relation to those issues where complaints to the office increased in 2010/11.

The Private Health Insurance Ombudsman 2010/2011 Annual Report can be viewed on the Ombudsman’s website at www.phio.org.au and copies of the Report can be requested by contacting the Ombudsman’s office on (02) 8235 8777.

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